

# DAILY REPORT

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JSP'S ISHIBASHI REELECTED TO SECOND TERM

OW181337 Tokyo KYODO in English 0943 GMT 18 Nov 85

[Text] Tokyo, Nov 18 KYODO -- Japan Socialist Party (JSP) Chairman Masashi Ishibashi was reelected unopposed to a second two-year term Monday. There was no other candidate for the top post of Japan's largest opposition party. There would have been an election by all JSP members if there were more than one candidate.

Ishibashi, a 61-year-old house of representatives member, became JSP chairman in September 1983. Known as an expert on diplomatic and national defense affairs, Ishibashi has been pushing a "realistic" approach to national and international problems in a bid to expand popular support for the party, which has been undermined by a longstanding ideological dispute.

LDP'S NIKAIKO SAYS TANAKA APPEARS IN GOOD HEALTH

OW151515 Tokyo NHK Television Network in Japanese 1200 GMT 15 Nov 85

[Text] LDP Vice President Nikaido, who also heads the party's Tanaka faction, visited the private residence of former Prime Minister Tanaka at Mejiro-dai in Tokyo today. Nikaido did not personally meet the former prime minister, but Mrs Tanaka told him about her husband's condition. Vice President Nikaido was reportedly shown a color photograph of the former prime minister posing with his grandchildren. The picture was taken on Shichi-Go-San [a festival for children of 3, 5, and 7 years of age]. According to Mr Nikaido, the picture showed Mr Tanaka in a wheelchair and wearing a tie. Mr Nikaido said that former Prime Minister Tanaka was wearing Western clothes neatly, and that he looked healthy and had as fresh a complexion as he had at the time the picture was taken.

CENTRAL BANK CAUTIOUS ABOUT ECONOMIC OUTLOOK

OW191141 Tokyo KYODO in English 1128 GMT 19 Nov 85

[Text] Tokyo, Nov 19 KYODO -- The Bank of Japan has grown cautious about Japan's economic outlook amid signs of a slowdown in domestic demand and exports, according to a Central Bank survey report released Tuesday. It said industrial production and shipments have peaked out, due largely to sluggish exports, especially of semiconductors, as well as to production adjustments of electric machinery and production cutbacks in the auto industry, which is shifting to new models. Personal consumption and investment in plant and equipment "have been maintaining a solid expansionary pace" but are showing signs of slower growth than before, the report said.

In capital spending, total machinery orders received during the July-September period were above levels registered in the like period of last year, but the manufacturing industry is now faced with slow growth. In the field of personal consumption, department store sales have been on the rise, but may decline in the months ahead as summer bonus payments by small- and medium-sized firms were lower than those of large companies, it said.

EPA STRESSES INTERNATIONAL POLICY COORDINATION

OW191237 Tokyo KYODO in English 1228 GMT 19 Nov 85

[Text] Tokyo, Nov 19 KYODO -- Japan will be able to ease economic friction with other countries through reduction of its current account surplus if it can achieve economic policy coordination with the United States and other major countries, the Economic Planning Agency (EPA) said Tuesday.



If the U.S. trims its budget deficit and lowers interest rates, and other major countries, including Japan and West Germany, cut interest rates in concert with the U.S. and take measures for expansion of domestic demand, Japan will also be able to maintain a stable annual growth of the 4 percent level in real terms in the next three years, the EPA said. The EPA warned, however, that if the major countries fail to coordinate their fiscal and monetary policies, their economic growth rates will taper off, further worsening world economic troubles such as the huge budget and current account deficits of the U.S., Japan's massive current account surplus and high unemployment in Europe.

The EPA stressed the necessity of international policy coordination in its world economic forecast for 1986-1988 using its "world economic model," developed by the EPA's economic research institute. The model takes account of various economic data of Japan, the U.S., Canada, Britain, France, Italy, West Germany, Australia and South Korea.

In the forecast, the EPA presents five different scenarios from a viewpoint of achieving stable economic growth in these countries. Successful policy coordination represents the most desirable scenario, the EPA said. But it is conditional on the U.S. reducing its budget deficit by 30 billion dollars a year in real terms from fiscal 1986 and lowering short-term interests by 1 percent by the end of this year.

Another condition is that Japan lower its interests by the same margin at the same time and take measures to boost domestic demand by two to three trillion yen a year from fiscal 1986, the EPA said. In that case, the EPA said, Japan's current account surplus would decline to 39 billion dollars in 1987, while the U.S. current account deficit would decrease by 25 billion dollars in 1988 compared with the case of no policy change. Moreover, the real growth rate of the nine countries as a whole would reach 3 percent in 1986.

The EPA said that if the U.S. were to limit its action to budget reduction alone, its economic growth pace would slow to 1.7 percent in 1986. Moreover, the resulting deflationary effect would reduce Japan's growth rate to 3.7 percent. If the nine countries carry out concerted interest cuts alone without taking fiscal measures, the EPA said, the growth rates in 1986 will be 3.7 percent for Japan and 2.6 percent for the U.S.

#### THREE FIRMS DENY STEEL JACKET DUMPING CHARGE

OW191135 Tokyo KYODO in English 0928 GMT 19 Nov 85

[Excerpt] Tokyo, Nov. 19 KYODO -- Three Japanese companies which build steel jackets -- offshore substructures for oil or gas production -- Tuesday denied a U.S. dumping charge. Nippon Steel Corp., Hitachi Zosen Co. and Nippon Kokan K.K. were commenting on Monday's preliminary ruling by the U.S. commerce department that Japanese and South Korean concerns are selling jackets at prices lower than those in their home markets.

According to reports from Washington, the dumping margins -- the difference between home market and export prices -- were 56.07 percent for Nippon Steel and 9.71 percent for Hitachi Zosen. According to Nippon Kokan, the margin claimed for it by the commerce department was about 15 percent. Pending final rulings, expected by January 29, U.S. importers of the companies' jackets must pay the equivalent of the dumping margins. The preliminary ruling was based on complaints filed last May by Kaiser Steel Corp. and an industry labor union.

MINISTRIES MERGED, NEW CABINET MEMBERS APPOINTED

SK200458 Pyongyang Domestic Service in Korean 0400 GMT 20 Nov 85

[Text] A joint meeting of the Political Bureau of the WPK Central Committee and the DPRK Central People's Committee was held on 19 November. The joint meeting was presided over by the great leader of our party and people Comrade Kim Il-song. The joint meeting was attended by members of the Presidium of the Political Bureau of the WPK Central Committee, members of the Political Bureau, and members of the Central People's Committee.

The joint meeting discussed the question of merging and reorganizing some committees and ministries of the State Administration Council. The joint meeting organized the Committee of Metal and Machine Industry by merging the Ministry of Metal Industry, the Ministry of First Machine Industry, and the Ministry of Second Machine Industry; the Committee of Chemical and Light Industry by merging the Committee of Light Industry and the Ministry of Chemical Industry; the Committee of Construction and Building Material Industry by merging the Ministry of Construction and the Ministry of Building Material Industry; the Committee of Extractive Industry by merging the Ministry of Mine Industry, the Ministry of Coal Industry, and the Ministry of Resources Development; and the Committee of Transportation by merging the Ministry of Railways and the Ministry of Land and Sea Transportation. It reorganized the Ministry of Power Industry into the Committee of Power Industry.

The joint meeting appointed Comrade Yon Hyon-muk first vice premier of the DPRK State Administration Council [SAC] and chairman of the committee of Metal and Machine Industry; Comrade An Sung-hak vice premier of the DPRK SAC and chairman of the Committee of Chemical and Light Industry; Comrade Hyon Mu-kwang vice premier of the DPRK SAC and chairman of the Committee of Construction and Building Material Industry; Comrade Hong Si-hak chairman of the Committee of Extractive Industry; Comrade Yi Kil-song chairman of the Committee of Transportation; Comrade Kim Yun-sang chairman of the Committee of Fisheries; Comrade Yi Chi-chan chairman of the Committee of Power Industry; and Comrade Yi Chong-yul, minister of public health. The joint meeting adopted the necessary decisions.

FIFTH ROUND OF NORTH-SOUTH ECONOMIC TALKS HELD

SK200745 Pyongyang Domestic Service in Korean 0430 GMT 20 Nov 85

[Text] The fifth round of North-South economic talks was held. On 20 November, the fifth round of North-South economic talks to discuss the question of realizing collaboration and exchange between the North and South in the economic field was held at the conference room of the Neutral Nations Supervisory Commission in Panmunjom. Countless reporters from the North and South and abroad came to Panmunjom to cover the fifth round of North-South economic talks.

At 1000 sharp, the 7-man delegation of our side led by Yi Song-nok, vice minister of trade, came to the site of the talks. The 7-man delegation from the South side also came to the talks site.

The head of our side's delegation made the following remarks at the talks: I think it pleasing that, amid the growing aspirations of the fellow countrymen for national rapprochement, unity, and reunification -- the desire for which is higher than ever before -- the fifth round of North-South economic talks is being held.

In retrospect, it has been a year since we began the first round of talks by smashing the state of rupture between the North and South, and we have sat face to face with each other five times. There have, of course, been ups and downs throughout the entire course of economic talks held up to the present. However, I can say that, as a result of the patient efforts of the two sides to realize success in the talks at any cost, more than a little work has been carried out thus far.

At the talks, we have, above all, agreed to form a negotiatory and executive organ with high competence, namely, the North-South joint committee for economic cooperation. I think that it is good for the two sides to more closely approximate each other, in terms of their opinions, in discussing draft agreements on pushing ahead with economic cooperation and the exchange of goods between the North and South and on forming a North-South joint committee for economic cooperation chaired by vice premier-level officials. In addition, at the past four rounds of talks, we have adhered to the sincere stand of mutually understanding and conceding, and have invariably made efforts to maintain an atmosphere favorable for talks.

At the past rounds of talks, the two sides have agreed to form a North-South joint committee for economic cooperation and have discussed matters smoothly, thus opening a great possibility and new hope for developing the national economy in a unified manner and for promoting the common thriving and prosperity of the nation by realizing economic cooperation and exchange between the North and South in a bold and efficient manner. Also, they have provided an excellent precedent through which they can efficiently resolve all issues to be raised at the talks in the future.

We should give joy to all fellow countrymen and the world's progressive people, who are watching the talks, by rapidly accelerating the matters that have been raised, on the basis of the successes attained at the economic talks. At the fifth round of talks, the two sides will discuss the question of finally narrowing differences in their opinions on some matters concerning the content of the agreements presented by the two sides and of referring the agreements to practical discussion.

In this connection, I will, first of all, state our opinions on the agreements presented by the two sides, on the realization of North-South economic cooperation and exchanges of goods, and on the formation of a North-South joint committee for economic cooperation chaired by vice premier-level officials. As for the draft agreement, presented by our side at the fourth round of talks, on the realization of North-South economic cooperation and exchange of goods and the formation of a North-South joint committee for economic cooperation chaired by vice premier-level officials, I can say that the agreement is, indeed, an agreement perfectly drafted in all aspects.

Above all, our draft agreement is mapped out so as to make it possible to smoothly realize economic cooperation and the exchange of goods between the North and South without twists and turns, in conformity with the demands of the concrete realities of our country.

As all know, our country has been divided for as many as 40 years, and the North and the South have different economic systems. However, the economic relations between the North and the South must not become like the economic exchanges conducted between countries. The economic relations between the North and the South must contribute to reuniting the severed economic relations, developing the national economy in a uniform manner, and contributing to the cause of the fatherland's reunification.

Therefore, the letter of agreement, which will serve as a common principle in seeking North-South economic cooperation and the exchange of goods, must define a series of principled matters to develop North-South economic relations in accordance with such a fundamental goal. Precisely put, our letter of agreement elucidates the principles that must be honored in seeking North-South economic relations and the exchange of goods, and all articles of the letter of agreement have been specified to contribute to achieving the joint prosperity of the nation and the reunification of the fatherland.



Next, our draft of the letter of agreement has been worked out in such a way as to seek North-South economic cooperation and the exchange of goods in a bold and comprehensive manner. The economic cooperation and exchange of goods that will be carried out by the North-South joint committee for economic cooperation in the future must be carried out in a multisided manner in all economic fields and in such a way as to guarantee the uniform and self-reliant development of the national economy. Precisely put, our letter of agreement has been worked out by reflecting these points.

Our letter of agreement does not limit the subjects and scope of economic cooperation to particular spheres but expands the scope so that cooperation can be conducted in all economic fields. Also, regarding the exchange of goods, it has considered the potential and desire of the two sides and, thus, has set no limit so that exchange can be conducted for all goods. Thus, it envisages the establishment of the North-South joint committee for economic cooperation in parallel with this.

In particular, our letter of agreement has adequately reflected the stand and assertions of your side with regard to North-South economic cooperation and exchanges. In actuality, our letter of agreement includes almost all the contents of the letter of agreement presented by your side at the third round of talks. In a nutshell, it can be said that our draft of the letter of agreement, which was presented at the fourth round of talks, is a most realistic, rational, fair, and just one in every aspect.

Our letter of agreement for North-South economic cooperation and the exchange of goods, as well as for the establishment of the North-South joint committee for economic cooperation, to have vice premier-level chairmen, has been worked out in a rational manner, and has adequately reflected the content of the letter of agreement of your side. Thus, we think that, even now, it can be passed on to working-level personnel for discussion, and can be finalized smoothly.

In each letter of agreement presented by the two sides, there are only some disagreements in the sides' opinions on some issues such as the title of the letter of agreement, the establishment of the articles on principles, the decision on goods to be exchanged, the number of the members of the joint committee, and the number of subcommittees. However, we think that even these problems can be solved without difficulty if the two sides sincerely consult with each other from a correct stand.

Nevertheless, your side says that these problems should be discussed further. Under these circumstances, we would like to once again make clear our stand regarding this. First of all, we will speak about the question of whether the principles to be honored in seeking economic cooperation and exchanges will be itemized in the letter of agreement. Our draft of the letter of agreement defines the principles to be honored in seeking economic cooperation and exchanges as items but your draft of the letter of agreement defines no such principles. In this connection, we think that it is a natural law that such principles should be clearly defined as items in the letter of agreement.

The economic cooperation and exchanges to be conducted between the North and the South are an important work to link the economies of the North and the South as one and develop the national economy in a uniform manner, under the circumstances in which the North and the South have been isolated from each other for a long period and have different economic systems and different management methods.

Therefore, I think your side, too, fully understands that many complex problems can be posed in the process of accelerating this work. I believe there must be a common standard or milestone in resolving such important and complex problems in an unbiased and correct manner.



If there is no common standard or milestone, various problems may loom at the stage of carrying out North-South economic cooperation and exchange in earnest, and unnecessary discussion on these problems may waste time. Therefore, in order to avoid such results, everything must be made clear at this stage, in which a letter of agreement on carrying out North-South economic cooperation and exchange is adopted. I think it a counter-measure against such results to clarify, in the letter of agreement, principles that the two sides must abide by in carrying out economic cooperation and exchange. We think it reasonable that in order to avoid misunderstanding in future interpretations, it is reasonable to provide a separate chapter and to stipulate several principles, including the principle of respecting the three major principles for the reunification of the fatherland -- independence, peaceful reunification, and great national unity -- in this separate chapter, not stipulating the principles in the introduction, as requested by your side.

Next, I will talk about the question of whether or not to include some items of goods to be exchanged in the draft letter of agreement. We think the letter of agreement must be written flexibly in order not to impose any restriction on realizing wide-ranging economic cooperation and exchange between the North and the South.

Your side's draft letter of agreement does not specifically clarify such questions as subjects of economic cooperation and the parties concerned conducting business. Therefore, why must the items of goods to be exchanged be restricted in advance in the draft letter of agreement? I think restricting the scope of exchange by restricting the items of goods to be exchanged does not correspond to our basic intention of accelerating, in a bold and wide-ranging manner, the exchange of goods by establishing such a joint organization with high authority as the joint committee for North-South economic cooperation. Proceeding from this, we think it reasonable to stipulate directions and ways of deciding the items of goods to be exchanged in the letter of agreement, not restricting the number of goods in advance.

Next, I will reveal our position on signing the letter of agreement. Our position is that heads of the two sides -- a chief delegate on your side -- should sign the letter of agreement, and your position is that the letter of agreement should be signed under the authorization of the persons in supreme authority. I think there is no reason to do things in such a way. As for the question of authorization, the delegations to economic talks and their heads began talks under the authorization, respectively, of the premiers of the two sides. As for the validity of the agreement between the two sides, even if the heads of the delegations sign the letter of agreement without revealing that they do so with the authorization of someone, the letter of agreement will have legal validity. Furthermore, as for the question of how to render titles of the two sides in the signature portion of the letter of agreement, we think it good to render the titles as follows: the delegation of the North side and the delegation of the South side to North-South economic talks.

The letter of agreement that will be adopted in economic talks is a document of agreement adopted to realize economic cooperation and exchange within the same nation in the same country, not a letter of agreement adopted between two countries. Therefore, I do not think it necessary to sign the letter of agreement as if it were a document of agreement adopted between countries. I think it good to follow the usual practice in rendering the titles -- the delegation of the North side to North-South economic talks and the delegation of the South side to North-South economic talks.

Finally, there is the question of the number of the members of the North-South joint committee for economic cooperation and the number of subcommittees. Considering the significance of the mission to be entrusted to the North-South joint committee for economic cooperation and the demand for accelerating the economic cooperation and exchanges between the North and the South, we think that there must be a considerable number of members and the numbers of subcommittees must be specified by sectors, as far as possible.

We think that there are some more disagreements in the draft letter of agreement presented by the two sides, but these disagreements can be settled smoothly without any difficulties, even if they are passed on to working-level personnel for discussion, because the issues are even simpler and more practical. Thus, I have explained our stand in general toward the draft letter of agreement presented by the two sides, and think that your side will have no special disagreement toward our opinion. Accordingly, I think that it is proper to end the discussion of some questions on which the two sides disagree in their draft letters of agreement today and to quickly pass the question of working out a joint letter of agreement on to working-level personnel for discussion. Thus, hoping that, within the very few remaining days of this year, the North-South joint committee for economic cooperation, with vice premier-level chairmen, will be established, and a new bright vista will be opened for North-South economic relations, thus giving joy to the peoples at home and abroad, I expect an affirmative response from your side.

#### NODONG SINMUN ON ANTI-U.S. STRUGGLES IN SOUTH

SK120527 Pyongyang KCNA in English 0506 GMT 12 Nov 85

[Text] Pyongyang November 12 (KCNA) -- NODONG SINMUN today analyzes the struggles of the South Korean people against U.S. imperialism and for independence which are developing these days, showing a new trend. Noting that anti-U.S. struggles of the South Korean people in the period from March to mid-June this year numbered more than 120, counting only those known and were participated in by a total of more than 100,000 people, the daily says that this figure is two times compared with 1982 which witnessed the greatest number of anti-U.S. struggles following the Kwangju popular uprising, or 4.1 times as against the annual average number of struggles in five years since 1980. What merits attention in the struggles against U.S. imperialism and for independence this year is the fact that the participants in the struggles put up such strategic slogans as "Away with the United States" and "Down with imperialism" and vital demands in their socio-economic life and the struggles assumed protracted nature, the daily notes.

It says: This year the South Korean students and people have been struggling, putting up to the fore such immediate action slogans as opposing the traitor Chon Tu-hwan's tour of the United States, demanding the United States to apologize for the Kwangju massacre and opposing nuclear war and the U.S. policy of economic subjugation. Also noteworthy in the trend of the struggles is that the main spearhead of the struggles is directed against aggressive organs of the U.S. imperialists in South Korea and the struggles are being waged in a more active and open form. Till last year after the Kwangju popular uprising meetings, statements and scattering of leaflets had accounted for an overwhelming proportion, 70 percent in the anti-U.S. struggles and in offensive struggles against the U.S. imperialist aggressive organs, most of them were waged not in an open way. But lately the anti-U.S. struggles are being waged in an open way and fierce demonstrations have become the main form, accounting for 81 percent. Also noteworthy is it that the struggles are closely linked with the struggle against fascism and for democracy and are developing into organized joint ones, with their organized and conscious nature and solidarity being intensified.

The daily points out that in the period from March to August, 1,848 struggles took place in various forms at 85 universities and colleges in South Korea, participated in by more than 475,000 students, two times the number in the same period of last year. All facts show that in defiance of the vicious fascist suppression by the Chon Tu-hwan puppet clique, the struggles against U.S. imperialism and for independence are being further developing in depth, gradually showing the trend of expansion, stresses the paper.

NODONG SINMUN CALLS FOR U.S. TROOP WITHDRAWAL

SK181048 Pyongyang Domestic Service in Korean 2122 GMT 17 Nov 85

[NODONG SINMUN 18 November editorial: "The withdrawal of the U.S. Troops Is a Solemn Demand of the Era"]

[Text] Ten years have passed since the UN General Assembly adopted a just resolution on the Korean question. The 30th UN General Assembly, held in 1975, adopted, by an overwhelming majority, a resolution to preserve and solidify peace and accelerate peaceful reunification by taking such practical steps as the dissolution of the UN Command in South Korea, the withdrawal of the U.S. troops wearing the cap of the UN forces, the replacement of the Korean Armistice Agreement with a peace agreement, the honoring of the principles of the North-South Joint Statement by the North and the South, and the elimination of the military confrontation between the North and the South.

The UN General Assembly's adoption of the just resolution on the Korean question was a display of the Korean people's struggle for the independent and peaceful reunification of the country, and of the struggle of the peace-loving peoples of the world actively supporting the Korean people's struggle. At the same time, it was a victory of the policy of our party and the government of the republic to achieve independent and peaceful reunification; of the principled foreign policy of independence, friendship, and peace; and of the efforts to consolidate international solidarity with our revolution.

The 30th UN General Assembly's adoption of the just resolution on the Korean question was a serious blow to the incorrect UN policy of the United States, which was forcing this international body to adopt an illegal resolution and was exploiting the sign-board of the United Nations in the aggression against Korea, and was a warning to those who were acting as hand-raising machines and persisting in the policy of order. At the same time, it represented a turn in UN practice.

Since the adoption of the resolution, the struggle of the peoples of the world supporting the Korean people's cause of independent and peaceful reunification and demanding the implementation of the resolution has been further intensified and developed, and become an irresistible and vigorous trend.

The governments, political parties, public organizations, and individual personages of many countries in all continents of the world; many international organizations, including many international democratic organizations; various meetings of the member-nations of the Nonaligned Movement; meetings of the campaign against war and for peace and the organizations of friendship and solidarity with the Korean people; broad strata of the world's social circles; and the publication and press organizations of the world have come forth to actively support the Korean people's struggle for the independent and peaceful reunification of the country and to strongly call for the United States to implement the resolution of the 30th UN General Assembly and withdraw the U.S. forces from South Korea.

At the 40th UN General Assembly held this time, too, the voices of the representatives of many countries of the world supporting our republic's policy, proposals, and initiatives for the reunification of the fatherland and calling for the United States to withdraw the U.S. forces from South Korea at an early date rang out vigorously.

This shows that the international solidarity movement for our people's cause of the fatherland's reunification is advancing vigorously, and that the withdrawal of the U.S. troops from South Korea and the peaceful reunification of Korea have become a common urgent demand of the peoples of the world. This greatly encourages our people.



We express deep gratitude to the socialist countries, the nonaligned countries, the Third World countries, the peace-loving countries, all progressive and peace-loving peoples of the world, and progressive and democratic fighting organizations, movements, and various world organizations that support and encourage our people's just cause of the fatherland's reunification, and struggle to demand the implementation of the 30th UN General Assembly's resolution on the Korean question. We expect that they will continue to extend firm solidarity to our people's just struggle.

The resolution on the Korean question adopted by the 30th UN General Assembly is a just one that has reflected the fundamental requirement and way to settle the Korean question peacefully, and has embodied the desire of the peoples of the world. Thus, the United States can never avoid its implementation.

The great leader Comrade Kim Il-song has taught: The major obstacle to the reunification of our country is the armed occupation of South Korea by the United States.

The U.S. imperialists' occupation of South Korea is totally illegal and anachronistic. The withdrawal of the U.S. troops from South Korea is a basic requirement for the peaceful settlement of the Korean question, and is an international duty that the United States must fulfill before the world without delay.

Nevertheless, the U.S. imperialists are openly blaspheming against and trampling upon the just resolution of the 30th UN General Assembly, and moving ahead on the road of running counter to the resolution, instead of implementing it. The U.S. rulers are seeking only the division of Korea, not its reunification. The splittists at home and abroad, including the U.S. splittists, have come forth with the so-called cross-recognition proposal and the UN membership proposal -- schemes for the permanent division of Korea -- and are using all kinds of tricks to realize the proposals by taking them to international meetings.

Under the facade of cross-recognition, they are trying to make the South Korean puppets, who are nothing more than servants of the imperialists, and who represent none more than servants of the imperialists, and who represent none of the Korean people, be recognized as a so-called state through cross-recognition of the North and the South by big countries. Thus, they are seeking the crafty objective of making two Koreas a fait accompli internationally. At the same time, under the pretext of UN membership, they are trying to make the North and the South enter the United Nations independently, as they are, divided, or to enable South Korea to attain unilateral membership. By so doing, they are trying to make the so-called legitimacy of the South Korean puppet clique recognized in the international community and to create two Koreas.

At the 40th UN General Assembly held this year, too, they shamelessly sought such a splittist strategem.

The United States and its stooges, the South Korean puppets, have no interest in the reunification of Korea. What the U.S. imperialists are seeking is to perpetuate the division of Korea, to intensify the policy of the occupation of South Korea by deepening the division of Korea, to hold South Korea as a colony and military base indefinitely, and to accelerate the new war provocation maneuvers against the northern half of the republic and other countries.

While the present U.S. Administration has been in power, U.S. strategy toward Korea has become even more adventurous, and new war provocation maneuvers against the Korean people have been intensified more than ever before. The U.S. imperialists' aggression forces have been deployed in South Korea and drastically augmented, and some 1,000 nuclear weapons, chemical weapons, and other atrocious lethal weapons have been intensively deployed there.



At the same time, "Team Spirit" and all other kinds of war exercise commotions are staged constantly against the northern half of the republic.

The U.S. warmongers have worked out an operational plan to stage a nuclear war against the Korean people, and are now in a hurry to carry it out. The U.S. imperialists' policy of division and war against the Korean people has become even more undisguised and vicious, as their policy of attaching importance to Asia has become a part of their world strategy. The high-ranking U.S. authorities are saying that South Korea is the forefront of the U.S. strategy, and U.S. President Reagan is even shamelessly saying that the United States will continue to maintain the U.S. troops in South Korea and will further augment U.S. Armed Forces there.

The maneuvers to concoct the U.S.-Japan-South Korea triangular military alliance, which direct the arrow of aggression at our country, are being stepped up. The United States is offering an enormous amount of military aid to the South Korean puppet clique, increasing its war potential, and ceaselessly driving it to provocations against the northern half of the republic and to confrontation against dialogue. Because of all these maneuvers sought by the U.S. imperialists, the situation on the Korean peninsula has become extremely tense, the danger of war is growing every moment, and the reunification of Korea is facing a grave obstacle. If the flames of war rise in Korea because of the U.S. imperialists, they will easily spread beyond the boundaries of Korea. The situation on the Korean peninsula is at the crossroads of war and peace. The United States is totally responsible for this. This notwithstanding, the U.S. imperialists are raving about the so-called military buildup by the North, its forward deployment of armed forces, and the threat of southward invasion. They are attempting to conceal their aggressive nature and to shift the responsibility for the aggravation of tension onto us. This is nonsensical trickery.

The whole world clearly knows our republic's consistent and sincere efforts for peace in Korea and its peaceful reunification. With the adoption of the just resolution on the Korean question at the 30th UN General Assembly, and reflecting the trend of the situation, in which the world's people are unanimously calling for the implementation of the resolution, our republic has repeatedly put forward new proposals and initiatives for promoting a peaceful resolution of the Korean question.

These proposals and initiatives are precisely the proposal for founding the Democratic Confederal Republic of Koryo [DCRK] to reunify the country, leaving the differences in ideas and systems between the North and South as they are; the 10-point political program of the DCRK; the proposal for tripartite talks in which the persons in authority in South Korea participate in talks between us and the United States on an equal footing; and the proposal for holding North-South parliamentary talks.

Once these proposals are realized, a very favorable situation for resolving the Korean question peacefully will be created. The whole world has welcomed these proposals. Only the United States and the South Korean puppets have opposed our just initiatives, including the proposal for holding tripartite talks. It is clear to everyone that the so-called threat of southward invasion by someone, which they have clamored about, is nothing but slanderous propaganda that runs totally counter to the facts. The U.S. occupation of South Korea and its policy of division and war are an intolerable criminal act. The present situation, in which reunification of Korea has been hindered and peace in Korea has been disturbed because of the U.S. policy of division and war, should not continue any longer.

Korea is one and the Korean nation is also one. For the Korean people, national reunification is the most precious and urgent task.

In order to achieve the independent and peaceful reunification of Korea, first of all, U.S. forces should be withdrawn from South Korea. Youths, students, and people in South Korea have risen up in the sacred anti-U.S. struggle for independence, strongly calling for the withdrawal of U.S. troops from South Korea. Their voices are now combining with the voices of the world's people.

There is no excuse whatsoever for the United States to keep U.S. forces in South Korea. If the U.S. rulers still think that they can keep South Korea as a colony and military base permanently, this is precisely nothing but a delusion. The United States should withdraw the U.S. forces from South Korea at the earliest possible date, replace the Armistice Agreement with a peace agreement, and take steps to promote the peaceful reunification of Korea as called for by the resolution of the 30th UN General Assembly.

#### U.S., SOUTH URGED TO RESPOND TO TRIPARTITE TALKS

SK161236 Pyongyang Domestic Service in Korean 0830 GMT 16 Nov 85

[Unattributed talk: "The Realization of Tripartite Talks Is an Invariable Stand of the Government of the Republic: For an Independent Reunification of the Fatherland"]

[Text] Our party and the government of the republic put forward last year a proposal for the holding of tripartite talks, with the South Korean authorities allowed to participate in the talks between us and the United States, and proposed that, at these talks, we and the United States sign a peace agreement and the North and South adopt a declaration of nonaggression, all for the purpose of providing the preconditions favorable to achieving an independent and peaceful reunification of Korea.

Our new proposal for the holding of tripartite talks is an expression of the serious efforts on the part of our party and the government of the republic to settle the Korean question through dialogue and negotiations and by peaceful means, rather than through such means as confrontation or war. The great leader Comrade Kim Il-song has taught: Last year, our party and the government of the republic put forward a proposal for tripartite talks among us, the United States, and South Korea to provide preconditions for an independent and peaceful reunification of the fatherland, and we are now actively struggling to realize it.

The realization of tripartite talks is an invariable stand of the government of the republic because tripartite talks are a reasonable way to settle the Korean question peacefully. The Korean question, essentially a result of the U.S. troops' occupation of South Korea, has been complicated and made into a protracted problem by the U.S. imperialists' policy of colonizing and subjugating South Korea.

The Korean war in the past, provoked by the U.S. imperialists, was a war between us and the United States, and the Korean Armistice Agreement was also signed between us and the United States. With South Korea under their complete control, the U.S. imperialists are now acting as though they are masters in South Korea, holding all practical rights, including the prerogative of supreme military command, in their hands. It is none other than the U.S. imperialists who are strengthening their own armed forces of aggression, in South Korea, bringing nuclear weapons into South Korea, commanding small- and large-scale war exercises, supplying the South Korean puppet army with arms, and accelerating the fabrication of the triangular military alliance among the United States, Japan, and South Korea, as well as criminal nuclear war preparations.

This being the case, in order to ease the tense situation that has continued in our country for a long time and to usher in durable peace, we and the United States should, without fail, hold talks and solve the fundamental problems regarding the exclusion of U.S. aggression and interference in the internal affairs of Korea.

To settle the question of ensuring peace in our country comprehensively, settling the problems existing between us and the United States alone is insufficient; therefore, problems arising between us and the South Korean authorities should be settled with the South Korean authorities simultaneously. By taking part in the U.S. imperialists' Asian strategy, the South Korean ruling clique has not only turned South Korea into a complete colony and a nuclear forward base, but it has also been maniacally kicking off anticommunist and antirepublic confrontational rackets. For this reason, to achieve durable peace in the country, the South Korean authorities, who are exacerbating tension and infringing upon peace in our country, are in a position where they will have to come to talks along with the United States, as a matter of course; therefore, the talks should take the form of tripartite talks.

When a peace agreement is signed between us and the United States and a declaration of nonaggression is adopted between the North and South after the tripartite talks have been realized, the sources that exacerbate tension and threaten the security of the country will be eliminated, lasting peace will be realized, and phases favorable to peaceful reunification will be opened in our country. Thus, the proposal for tripartite talks advanced by our party and the government of the republic is now eliciting strong reaction and support at home and abroad because it is a reasonable way to settle the Korean question peacefully.

Our proposal for the holding of tripartite talks, however, has not come to fruition of any kind because the United States and the South Korean authorities have not yet responded to it. The Fourth Session of the Seventh SPA proposed to the South Korean National Assembly the holding of North-South parliamentary talks with a view to settling the question of realizing peace in the nation between the North and South to the greatest extent possible even before the realization of our proposal for tripartite talks.

At present, North-South parliamentary talks are the most reasonable and realistic form of dialogue in producing breakthroughs for overcoming the difficulties facing the country. Not only will North-South parliamentary talks unfold a bright prospect for improving relations between the North and South, but they will also accelerate the realization of the tripartite talks designed to guarantee durable peace in our country.

When an agreement has been reached on the peace question between the North and South, U.S. suspicions about our proposal for tripartite talks will be dissolved, and the United States will find no further difficulties in responding to our proposal. We will continue to make steady and patient efforts to realize tripartite talks. Because it is another party responsible for the settlement of the Korean question, the United States should respond to our proposal for tripartite talks at an early date.

#### NODONG SINMUN CRITICIZES U.S. 'KOREA WAR' MONUMENT

SK091035 Pyongyang KCNA in English 1028 GMT 9 Nov 85

[Text] Pyongyang November 9 (KCNA) -- NODONG SINMUN today brands as a new war hysteria the recent decision of the U.S. House of Representatives to erect "a Korean war monument" in "tribute" to its aggression troops who were sent to the Korean war as cannon fodder.

A signed commentary of the paper headlined "Shameful Evidence of War of Aggression" says:



The U.S. soldiers who participated in the Korean war were mercenaries of the U.S. reactionary ruling circles. They were criminals who brutally massacred the Korean people, ravaged the towns and villages of Korea at random and laid her mountains and fields waste. They were war henchmen who faithfully executed the orders from the U.S. homicidal generals to "kill Koreans right and left".

For the U.S. imperialists to set up a monument glorifying and praising them more clearly shows what militaristic war hysteria is rife among the U.S. reactionary ruling circles. The building of "the monument" only reveals the unsatiated ambition of the U.S. imperialists for aggression and war. It fully discloses the sinister intention of the U.S. reactionary ruling circles to step up their moves towards the provocation of another Korean war.

The "praise" of aggression was for justifying new aggressive designs in the past days. The buffoonery of building the monument to aggression troops proves that the danger of another war is growing hourly on the Korean peninsula due to the U.S. imperialists. They also seek in this to whip up war hysteria among the American people and mobilise them as cannon fodder in a new war of aggression without much difficulty. The U.S. rulers should ponder over the possible consequences of their acts challenging the cause of peace and human progress.

#### MANGYONDAE FARM MEETING ON ACCOUNT SETTLEMENT

SK161058 Pyongyang KCNA in English 1029 GMT 16 Nov 85

[Text]Pyongyang November 16 (KCNA) -- This year's farming has proved very successful on the Mangyongdae cooperative farm in Mangyongdae District, Pyongyang, raising the per hectare grain yield to over 8.7 tons in rice and over 9.8 tons in maize. Over 10 tons of grain was harvested from each hectare in many paddy fields and 12 tons at maximum in some fields. The production of vegetables, meat, fruits, etc. is also rich. The farm has fulfilled its yearly plan at 107.3 percent in grain, 103.5 percent in vegetables, 118 percent in meat and 100.3 percent in fruits. A meeting for year end account settlement and income distribution was held on November 15 on the farm where an average of 6.5 tons of grain and 6,600 won were shared out to each member household.

#### RAILWAY BUILDERS OVERFULFILL CONSTRUCTION PLAN

SK151050 Pyongyang KCNA in English 1036 GMT 15 Nov 85

[Text] Pyongyang November 15 (KCNA) -- The northern railway builders had carried out the yearly plan at 101.6 per cent by the end of October. In this period, they completed projects of hundreds of structures and finished the roadbed project in the main. The Sariwon Railway Administration and the Cholosong Locomotive Corps beat their transport targets for the year three months ahead of schedule. Many coal and ore mines including the Yonpong youth coal mine, the Kimhwa coal mine, the Cholwon coal mine, the Poptong mine and the Yonkun mine carried out their yearly assignments on all indices.

The North Pyongan provincial complex of medium and small in scale power stations announced the fulfilment of the yearly power production quota four months ahead of time. Six factories under the General Bureau of Textile Industry including the Nyongpyon silk textile mill, the Bamhung silk reeling mill and the Songchon silk reeling mill have honored their commitments for the production of export goods for the year. More than 150 industrial establishments in Pyongyang, North Pyongan and Kangwon Provinces have topped their yearly plans.



NORTH-SOUTH ECONOMIC TALKS HELD IN PANMUNJOM

## Barter Trade Suggested

SK200331 Seoul YONHAP in English 0321 GMT 20 Nov 85

[Text] Panmunjom, Korea, Nov. 20 (OANA-YONHAP) -- South Korea Wednesday suggested that "a model transaction through barter trade" be established for the purchase of 300,000 tons of North Korean anthracite coal in the fifth round of the inter-Korean economic talks in this truce village. Kim Ki-Hwan, South Korea's chief delegate, said that the model transaction should be carried out without delay "not only to meet people's expectations for the early restoration of economic ties, but to foster national and international confidence in the fruitful outcome of our South-North economic talks, which have been going on for more than a year."

Kim reminded the North Korean delegates that the two sides agreed a year ago to begin bilateral trade, particularly of anthracite coal and iron products, as soon as possible. He suggested that the North Korean coal be exchanged at the same value of iron products or other commodities on the list agreed upon by both sides.

Regarding Pyongyang's proposal in the previous meeting to add an article concerning the basic objectives of inter-Korean economic cooperation to the agreement, Kim made his opposition clear. "...The basic aims of cooperation between our parties has already been specified in the preambles of both our drafts: the restoration of economic relations, increased prosperity for our people, peaceful reunification, and so forth," Kim said. "We believe that this article is redundant because the basic aim of economic exchanges and cooperation between the South and North is very adequately covered in the preamble, and only minor changes in wording are required in the preamble to incorporate your concerns," he added.

Kim proposed, however, that all the commodities upon which the two sides agreed in previous sessions be identified. "...It is our understanding that the agreement should incorporate all the points of agreement already reached between us, and...the implementation of these points of agreement should be given top priority," he said. He also demanded that the agreement specify economic cooperation projects upon which the two sides agreed in the first and second meetings, including the establishment of joint fishing areas and the joint development of natural resources, even if the joint South-North economic cooperation committee considers other projects later.

## Next Talks on 22 January

SK200811 Seoul YONHAP in English 0802 GMT 20 Nov 85

[Text] Panmunjom, Korea, Nov 20 (OANA-YONHAP) -- South and North Korea failed to reach any concrete agreement Wednesday in the fifth round of the inter-Korean economic talks because Pyongyang sidestepped a proposal by Seoul to buy 300,000 tons of North Korean anthracite coal through barter trade in a "model transaction" for inter-Korean trade.

During the meeting, held behind closed doors in this truce village, the two sides discussed the title of a planned agreement on trade and economic cooperation, and the establishment of a joint economic cooperation committee, and the specification of the basic objectives of cooperation and trade items in the agreement. The only thing on which two sides agreed in the meeting, which lasted two hours and 45 minutes, was to hold the next meeting on Jan 22, 1986, in the conference room of the Neutral Nations Supervisory Commission in this truce village.

Kim Ki-hwan, South Korea's chief delegate, said in a press conference after the meeting that "although our side proposed a title for the agreement, which was virtually agreed upon in the third meeting, the North insisted on 'an agreement on the realization of economic cooperation and commodity exchanges and the establishment of a South-North joint economic cooperation committee.'"

South Korea proposed in the meeting that the title be "an agreement on the implementation of commodity trade and economic cooperation and the establishment of a joint South-North economic cooperation committee under the chairmanship at the deputy prime minister level." Regarding the specification of the basic objectives of the trade and economic cooperation agreement, Kim said that Seoul agreed to include the phrase in the preamble, but Pyongyang proposed that discussion on the matter be withheld, insisting that the objectives be specified in a separate article of the agreement.

Kim also said that South Korea suggested that trade items be specified in the agreement, but North Korea refused, saying that the specification creates the impression of restricting exchanges. "We suggested that the two sides undertake a model transaction through barter trade for the already proposed purchase of 300,000 tons of North Korean coal in exchange of the same value of iron products or other commodities on the list agreed upon," Kim said. Pyongyang sidestepped its reply, however, he said.

Kim said that Seoul proposed a seven-point agenda, including the payment mechanism for inter-Korean trade, the implementation of economic cooperation projects, the functions of the joint committee and the number of sub-committees to be set up under the joint committee, but the two sides discussed only three items.

In addition to the seven agenda items proposed by South Korea, North Korea suggested that two more items be included on the signatories of the agreement and that the names of the two countries be used. When asked why North Korea is stalling the talks, Kim said that South Korea pushed for the implementation of economic cooperation projects already agreed upon, in order to meet the peoples' expectations for the talks, but Pyongyang did not show any sincerity in those projects.

#### EMPLOYEES' UNION PROTESTS U.S. HIRING REDUCTION

SK190920 Seoul YONHAP in English 0815 GMT 19 Nov 85

[Text] Seoul, Nov. 19 (YONHAP) -- The Korean Employees' Union of the U.S. Forces Korea (USFK) Tuesday held a rally in Songtan, a central provincial city about 45 kilometers south of Seoul, to protest the USFK's decision to reduce the number of Korean employees that it hires.

About 500 of the 2,000 Koreans working at U.S. air bases in Korea attended the rally to deliver their protests to the relevant U.S. authorities.

In early November, U.S. Air Force authorities in Korea informed the union of its plan to lay off 250 Koreans working at U.S. air bases before the planned base reorganization, scheduled for next July, union officials said. The officials asserted that the proposed lay-off would be an unfair measure beyond their comprehension because the decision was made without holding prior consultations with those involved.

About 19,000 Koreans, including temporary employees, working for the USFK are affiliated with the union. About 250 Koreans affected by the U.S. action work at U.S. air bases in Osan, Taegu and two other sites.

A Korean Labor Ministry official said that the U.S. Eighth Army is also planning to reduce the number of Koreans it employs.

The Korean union will try to prevent the U.S. units from carrying out the reductions by closely consulting with the Korean Foreign Ministry and other diplomatic channels, the official said.

#### DJP PLANS MEASURES AGAINST RADICAL STUDENTS

SK190715 Seoul YONHAP in English 0642 GMT 19 Nov 85

[Text] Seoul, Nov. 19 (OANA-YONHAP) -- In the wake of the occupation Monday of the ruling Democratic Justice Party's (DJP's) Central Political Training Center by anti-government student activists, the DJP plans to take a "systematic and strong counter-measure" against radical students who use violent methods.

DJP Chairman No Tae-u told key party officials at a meeting Tuesday that the party should develop measures to put an end to the "unfortunate" situation through the understanding and cooperation of the people.

He said that the radical students have used illegal and violent methods from the beginning.

After the meeting, in which party leaders were briefed, about the incident, DJP spokesman Sim Myong-po said that some of the students involved in the takeover stayed together in small groups at boarding houses, where they hid Molotov cocktails later used during the incident.

Sim said that many of the party leaders said they believed it would be desirable for the DJP to seek a new course of action against the radical students, in order to prevent disadvantages to everyone concerned.

Earlier Tuesday, police said that all 191 students involved in the eight-and-a-half-hour seizure of the DJP facility in southern Seoul will be put under formal arrest. The government party plans to put the issue on the table at a government-party policy coordination meeting scheduled for Friday.

#### HOME MINISTER NOTES CAMPUS UNREST ON DECLINE

SK162328 Seoul THE KOREA HERALD in English 17 Nov 85 p 1

[Excerpt] Minister of Home Affairs Chong Sok-mo said yesterday that campus disturbances have decreased remarkably since the start of the fall semester.

Chong said that the government is optimistic about bringing student demonstrations under control because campaigns are being mounted by students themselves to create an academic atmosphere in colleges.

The minister added that he believes student disturbances will continue to diminish.

He said that a total of 1,185 students have been indicted during the past five years in connection with campus disturbances. He said that 264 other students have been interrogated during the same period for alleged involvement in demonstrations.

Minister Chong was responding to lawmakers' questions before the National Assembly Budget Settlement Committee.



SPK REPORTS THAI VIOLATIONS FROM 8-14 NOVEMBER

BK190616 Phnom Penh SPK in English 1142 GMT 18 Nov 85

[Text] Phnom Penh SPK November 18 -- Thailand violated Kampuchea's territorial sovereignty 211 times from November 8 to 14. Thai aircraft made 19 reconnaissance flight over various areas in the provinces of Preah Vihear, Siem Reap-Oddar Meanchey, Battambang and Pursat, while Thai vessels, including one warship, operated near the islands of Koh Kong and Koh Tang, nine to 21 miles from the shore.

On the ground, Thai-based artillery made 27 shellings on Phnom Malai and Ta Sanh in Battambang and on western and southwestern Smat Deng, Pursat, firing from 200 to 300 rounds a day. Khmer reactionaries also crossed the border into Kampuchea in many groups. However, they were timely intercepted by Kampuchean border guards and militia. One hundred and seven of them were put out of action and 38 others surrendered. The patriotic forces also captured 61 weapons and many other items of military equipment.

HUN SEN RECEIVES VISITING SPORTS DELEGATIONS

BK190721 Phnom Penh SPK in French 0426 GMT 19 Nov 85

[Text] Phnom Penh, 19 Nov (SPK) -- Hun Sen, Political Bureau member, chairman of the Council of Ministers, and minister of foreign affairs of the PRK, received visiting sports delegations of socialist countries in Phnom Penh on Monday [18 November]. The delegations from Vietnam, Laos, the Soviet Union, Cuba, Mongolia, Poland, the GDR, Czechoslovakia, Hungary, and Bulgaria have been in Cambodia since 16 November after attending a conference in Hanoi.

On this occasion, chairman Hun Sen briefed them on the all-round development recorded by the PRK during the past nearly 7 years under the just leadership of the KPRP, particularly the development in the field of sports. The Cambodian leader also thanked the parties, governments, and peoples of fraternal socialist countries for their material as well as moral assistance to the PRK.

For his part, (Marat Graumcy), head of the USSR sports delegation, affirmed on behalf of the other delegations his consistent material as well as moral support for the sports movement of Cambodia to win recognition from the International Olympic Committee.

The sports delegations left Phnom Penh the same day, thus concluding their 3-day visit to Cambodia. They were sent off by Chheng Phon, alternate member of the KPRP Central Committee and minister of information and culture; My Samedi, chairman of the Khmer National Olympic Committee, and other officials.

HENG SAMRIN GREETES JCP ON 17TH CONGRESS

BK180818 Phnom Penh SPK in French 0440 GMT 18 Nov 85

[Text] Phnom Penh, 18 Nov (SPK) -- Heng Samrin, general secretary of the KPRP Central Committee, recently sent a greetings message to the Japanese Communist Party [JCP] on the occasion of its 17th congress.

In his message, the Cambodian leader said:

We are glad to note that despite the difficulties experienced during the past few years, the JCP continues to develop while holding a great influence on all strata of the Japanese people.



Your party plays an important role in Japan's political and social life. Being a heroic vanguard of the Japanese working class, your party is always at the forefront in the struggle of Japan's progressive, democratic, and peace forces against U.S. Imperialism working in collusion with Japanese monopolist capitalism. It works against the Japan-U.S. security treaty and against the restoration and strengthening of Japanese militarism. It works to preserve and develop democracy, to safeguard the right and life of the Japanese people, to turn Japan into a peaceful archipelago, and to create peace in the region and the rest of the world.

In its persistent struggle, the JCP has achieved great successes, actively contributing to the common struggle of the world's people for peace, national independence, democracy, and social progress. We are greatly satisfied with these successes and we express our firm support for the arduous struggle waged by the JCP and Japanese people for an independent, democratic, peaceful, nonaligned, neutral, and developed Japan.

We take this opportunity to express our sincere thanks to the JCP, to the progressive forces, and to the people of Japan for their precious support to the KRPR and to the Cambodian people in the struggle against imperialism, expansionism, hegemonism, and international reactionary forces for the safeguarding and building of their fatherland and for the preservation of peace in the region and the world as a whole.

May the militant solidarity and friendship between our two parties and peoples further consolidate and develop in the future, the message concluded.

#### PRK-SRV-LPDR COMMUNICATIONS SUBCOMMITTEES MEET

BK161526 Phnom Penh SPK in French 0367 GMT 16 Nov 85

[Text] Phnom Penh, 16 Nov (SPK) -- The second meeting of the subcommittees for the cooperation in communications among Cambodia, Vietnam, and Laos was opened yesterday in presence of Tea Banh, alternate member of the KPRP Central Committee and minister of communications, transport, and posts.

Attending the meeting were Chhim Seng, PRK deputy minister of communications, transport, and posts; Nguyen Nam Hai, SRV deputy minister of communications and transport; and Bouasi Lovansai, LPDR deputy minister of telecommunications. The presence of Do Minh Chau, counselor of the Vietnamese Embassy, and Soukhala Pakonkham, acting charge d'affaires of Laos to Cambodia, was also noted.

On that occasion, Tea Banh hailed this meeting as an important event marking a good development in the economic, technical, and cultural cooperation among the three Indochinese countries. Minister Tea Banh affirmed that the meeting will examine the possibilities of road and river transport among the three countries.

The attendees later listened to a report on the activities of the Lao subcommission in 1984-85 and addresses by Cambodian and Vietnamese delegations.

Meeting Closes

BK191224 Phnom Penh SPK in English 1121 GMT 19 Nov 85

[Excerpt] Phnom Penh SPK November 19 -- The second conference of the Kampuchea-Vietnam-Laos commission for transport and communications cooperation closed in Phnom Penh Monday.

In his closing speech, Tea Banh, candidate member of the Central Committee of the People's Revolutionary Party of Kampuchea and minister of posts, transport and communications, said the conference had reviewed past activities and agreed on objectives for the next period. Tea Banh highlighted the businesslike character of the conference and said concrete steps had been discussed to carry out the plan of each country.

The Kampuchean delegation to the conference was led by Vice Minister of Posts, Transport and Communications Chhim Seng, the Vietnamese delegation was led by Deputy Minister of Transport and Communications Nguyen Nam Hai, and the Lao delegation by Deputy Minister of Transport and Posts Bouasi Lovansai.

According to the minutes of the conference problems relating to transport by road and on the Mekong River left over from 1984-1985 will be settled in the coming period.

#### CHEA SIM MEETS WITH VISITING ASIAN BUDDHISTS

BK190704 Phnom Penh SPK in English 1147 GMT 18 Nov 85

[Text] Phnom Penh SPK November 18 -- Chea Sim, Politburo member of the Central Committee of the People's Revolutionary Party of Kampuchea, chairman of the National Assembly, received here Monday morning a delegation of the Asian Buddhists Committee for Peace [ABCP] led by its chairman, the most venerable Kh. Gaadan.

Chea Sim, also chairman of the National Council of the United Front for Construction and Defence of Kampuchean Fatherland, sincerely thanked the ABCP for its support to the just cause of the Kampuchean people. He informed his guests of the policy of peace pursued by the People's Republic of Kampuchea and the aspiration of the Kampuchean people to live in peace with its neighbours and with peace and justice-loving people in the world. Chea Sim also expressed the Kampuchean people's unreserved support to the Soviet peace initiatives aimed at warding off the danger of a nuclear war.

For this part, the most venerable Kh. Gaadean said that his visit to Kampuchea allows him to learn more of the tragedy undergone by the Kampuchean people under the genocidal regime of Pol Pot and the great development obtained in all fields in the PRK. Kh. Gaadan highly valued the policy of peace pursued by the PRK and its effort for peace and well-being of the Kampuchea people. He expressed his support to the initiatives of the three Indochinese countries to establish peace, stability in Southeast Asia.

The delegation left Phnom Penh concluding its 3-day visit to Kampuchea. It was seen off at Pochentong Airport by Superior Bonze Tep Vong, vice chairman of both National Assembly and the front national council and chairman of the Kampuchean Subcommittee of the ABCP, Min Khin, deputy general secretary of the front national council, and other Kampuchean officials.

While here the delegation met with Buddhist monks in "Onnalaom" Pagoda, visited Tuol Sleng Museum of Genocide, mass grave at Cheung Ek Commune, Ex-Royal Palace, shopping centre in Phnom Penh and Angkor Wat temple in Siem Reap-Oddar Meanchey Province.

VONADK CARRIES KHIEU SAMPHAN INTERVIEW

BK160318 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian  
2315 GMT 15 Nov 85

[15 November interview with DK Vice President Khieu Samphan by unidentified "representative" of the Voice of the National Army of Democratic Kampuchea upon his return from the 40th UN General Assembly session -- recorded]

[Text] [Representative] My respects to Mr Vice President. Please permit me to interview you on behalf of the Voice of the National Army of Democratic Kampuchea on your return from the 40th UN General Assembly session. Our army, people, and all compatriots have learned of our success at the 40th UN General Assembly session. Anyway, please Mr Vice President, tell us more about this success.

[Khieu Samphan] Yes, this year the cause of our Cambodian people's just struggle achieved another great success. The votes supporting the UN resolution demanding that foreign troops -- namely the aggressive Vietnamese troops -- withdraw from Cambodia increased. Last year there were 110 votes. This year it was up another four votes. As for the number of votes against this resolution, it has decreased, as has the number of countries abstaining. This shows that the international forces supporting the cause of our Cambodian people's just struggle has grown and that more countries, formerly misled by Vietnam's deceptive propaganda, have supported our people's just cause. This situation also clearly shows the utter isolation experienced by the Vietnamese enemy with each passing year. The world community has come to see more clearly the Hanoi authorities' strategy of grabbing and swallowing Cambodian territory and the danger of the Soviet-Vietnamese strategy of aggression and expansion in Southeast Asia and the Pacific. For this reason, the world community has become even more supportive of the fighting Cambodian people and has -- particularly among the African, Asian, and Latin American countries -- become even more sympathetic to our people's struggle.

Following the debate, many speeches by several foreign ministers and heads of state dealt with the Cambodian issue and unequivocally scored Vietnam's stubbornness in continuing to occupy Cambodia illegally, sowing tragedies and misery among the Cambodian people, and turning a deaf ear to the international community's call for its withdrawal from Cambodia.

After DK President Samdech Norodom Sihanouk ended his speech before the General Assembly, the delegates of many countries filed in to shake hands warmly with the samdech and the other members of the delegation of our CGDK.

It was generally admitted that although the United Nations has voted six times now to adopt resolutions calling for Vietnam to withdraw its aggressive forces from Cambodia, it has been to no avail. It was agreed that, so long as Vietnam refuses to withdraw, the resolution should be adopted every year until it agrees to do so. And this year is the 40th anniversary of the United Nations. All deem it necessary to show a resolute stand to defend the UN Charter. Any UN member transgressing the UN Charter must be punished. A country violating the UN Charter damages the prestige of the United Nations and blemishes the 40th founding anniversary of the United Nations. Some delegates likened the Hanoi authorities to the rulers of South Africa, who are brutally slaughtering the South African blacks and stubbornly occupying Namibia in violation of UN resolutions.

Therefore, there was a concerted effort to gather additional votes for the resolution calling for a Vietnamese troop withdrawal from Cambodia.



This also explains why the number of countries sponsoring the draft resolution also exceeded that of the previous year. There were 53 last year, while this year 58 signed the draft resolution. During the debate on Cambodia, the number taking the floor to condemn Vietnam and support the resolution was also greater than in the previous year. This time 45 countries did so, while India was the only one to protect the stinking cause of Vietnam, bringing India itself into disrepute.

The speeches directly attacked the Hanoi authorities for refusing to abide by the UN resolutions; for committing genocide against Cambodia; for destroying the culture of the Cambodian people; for forcing the Cambodian people to clear brush, build roads, and step on mines in Cambodia's western border region; and for violating the UN Charter. Many speeches, such as those by the delegates of Togo, Belize, and St. Lucia, expressed deep sympathy with and great admiration for the courageous struggle of our people. For example, the Togolese delegate clearly stressed that there is no excuse for aggression against and occupation of an independent and sovereign country. He also expressed admiration for our people's struggle, saying that the past 7 years have turned the Cambodian people's struggle into a model of the courage and valor of a people who are proud of their national history and tradition and who refuse to lay down their arms, kneel before, or bow to any brute force.

[Representative] Please, Mr Vice President, tell us about the reason for our success.

[Khieu Samphan] The reason for great success stems from three major factors, namely:

1. The three sides of our CGDK uphold their unity. This is very encouraging to all our friends throughout the world. By remaining united in the struggle against the Vietnamese aggressors, we have made our friends happy to support us.

2. The second factor is the valiant struggle of our people and army on the battlefield, especially the fact that our army has attacked and created disarray for the Vietnamese enemy in the first group of battlefields, that is the battlefields adjacent to Tonle Sap Lake and near Phnom Penh. The world community has become more aware of the failure of the Vietnamese enemy's offensive in the previous dry season along Cambodia's western border. It has also clearly seen the progress of our army's and people's struggle from year to year.

3. The other factor in our success is support from our friends the world over.

On the basis of this experience, we must make every effort to fight the Vietnamese enemy aggressors more vigorously, continue strengthening the unity within our CGDK, and strive to mobilize world forces more broadly to support our people's struggle to bring about greater pressure -- in addition to the forces on the battlefield -- to force Vietnam to completely withdraw its aggressive forces from Cambodia. We must strive to frustrate all maneuvers and tricks of the Hanoi authorities, the Soviet Union, and their accomplices who are trying to split our CGDK and undermine the international forces supporting our Cambodian people's struggle.

On this occasion all of us would like to express our deepest thanks to all our friends the world over. We especially thank the ASEAN countries and other friendly countries for their consistent diplomatic activities supporting our CGDK and the struggle of our Cambodian people in the past consecutive years.

[Representative] Sir, what were the maneuvers of the Vietnamese enemy during this year's General Assembly?

[Khieu Samphan] The Vietnamese used multiple maneuvers this year. They have deceptively publicized their intention of withdrawing all their aggressive troops by 1990. They have also claimed that there is an initial step in the negotiations between Vietnam -- the self-proclaimed representative of the Indochinese countries -- and a representative of ASEAN countries. However, all these maneuvers simply melted like beeswax in the sun as a large number of delegations took turns exposing and denouncing them. As for the misleading Vietnamese claim that negotiations on Cambodia are at the beginning stage, it was also flatly denied by the Philippine foreign minister in his capacity as the annual chairman of the Standing Committee of ASEAN countries, ignominiously baring the lie of the Hanoi authorities.

[Representative] What is your conclusion?

[Khieu Samphan] This year, we see that although the Vietnamese tried hard by sending massive forces to attack us and conducted deceptive diplomatic maneuvers, the struggle of our people continues to advance and to achieve considerable success both at home and in the international arena. The Vietnamese are experiencing a difficult time both in Cambodia and in Vietnam, and their name is stinking even more in the world.

During this dry season, the Vietnamese are going to attack us again. They have been sending more troops as well as more Soviet tanks and artillery pieces. As for us, we are also prepared to hit back both in the western border region and in the interior of the country. Therefore, there will be more fierce fighting. However, we have many favorable conditions for an advance. Our struggle is not toning down, nor is it at a standstill. We are advancing every year. The world is also supporting us more actively. Therefore, we must continue strengthening our great national union in the more vigorous struggle against the Vietnamese. The Vietnamese will surely withdraw their aggressive forces from Cambodia. They will be forced to settle the Cambodian question politically on the basis of the UN resolutions adopted during the past seven sessions.

#### VODK COMMENTS ON SRV PROBLEMS IN CAMBODIA

BK151723 [Clandestine] Voice of Democratic Kampuchea in Cambodian 2330 GMT 14 Nov 85

[Station commentary: "At the Beginning of the 8th Dry Season, We Have Intensified Our Attacks against the Vietnamese Enemy Aggressors in Conformity With Our 5-Point Strategy, Initiatives, and Mastery of the Situation"]

[Text] We are now at the beginning of the 8th dry season of the war for national liberation against the Vietnamese enemy aggressors and race exterminators. The Vietnamese enemy aggressors are also in the 8th dry season of their war of aggression in Cambodia. The Hanoi Vietnamese have encountered many difficulties and are in a complete impasse on the Cambodian battlefield. They have serious problems in their own country and are more isolated on the international scene. They have encountered serious problems in the military, political, economic, propaganda, and diplomatic fields.

Recently, the Hanoi Vietnamese enemy aggressors were defeated and more isolated at the 40th UN General Assembly session. The world community has condemned them and opposed their war of aggression in Cambodia. Furthermore, the international community has firmly called on the Vietnamese to unconditionally withdraw all their aggressor troops from Cambodia and respect the Cambodian people's rights to determine their own destiny without outside interference. This year, the voices opposing the Vietnamese for their continued occupation of Cambodia and calling on them to unconditionally withdraw from Cambodia have reached 114. This is an overwhelming majority, unprecedented in various resolutions at the United Nations.

The Cambodian people, who have struggled against the Vietnamese aggressors on the battlefields, the entire world, the Hanoi Vietnamese enemy aggressors, and their Soviet boss have clearly realized the difficulties encountered by the aggressors in all fields. However, because they are truly savage and stubborn expansionists and aggressors, and because their Soviet masters have supported, financed, and provided weapons to them, the Hanoi Vietnamese enemy aggressors do not care about others. They have ignored international law. They do not respect the recent UN resolution. They do not care about peace for the various Southeast Asian countries. They do not care about the difficulties, suffering, and poverty of the Vietnamese people. They have continued to stage their arrogant activities in the military, political, economic, propaganda, and diplomatic fields in order to extricate themselves from the impasse. Moreover, they have implemented their strategy to swallow up Cambodia.

In the military field, the Vietnamese enemy aggressors have tried everything to extricate themselves from the impasse. They have sent tens of thousands of fresh troops from Vietnam to Cambodia. Their Soviet masters have continued to finance them and provide them with much more military materiel -- cannons and tanks -- so that they can pursue their war of aggression and genocide to exterminate the Cambodian race. The Vietnamese enemy aggressors have deployed many troops in western Cambodia to attack and destroy all Cambodian resistance forces as they have done since the 2d dry season in 1979-80, and especially as they did in the 7th dry season in 1984-85. This is the offensive goal of the Vietnamese enemy aggressors. Although they have sent tens of thousands of fresh troops to attack Cambodian resistance forces in Cambodia, the Vietnamese enemy aggressors do not have enough forces to resist the guerrilla warfare being waged by the Cambodian patriotic forces and the Cambodian people throughout the country.

At the beginning of this 8th dry season, our national army and guerrillas, in cooperation with our Cambodian people all over the country, have intensified guerrilla activities against the Vietnamese enemy aggressors in all provinces and districts. We have attacked and destroyed the state power of the Vietnamese enemy aggressors at the village and commune levels in all districts and provinces. We have repeatedly liberated many villages and communes. Concurrently, we have met Cambodian state power employees, Cambodian soldiers and militiamen who were forced by the Vietnamese to serve them. We have propagated the policy "Khmer do not fight fellow Khmer. Khmer unite with one another to fight the Vietnamese aggressors" among these Cambodian employees, soldiers, and militiamen. Later on, we let them return home. This had awakened our compatriots to understand the policy "Khmer do not fight fellow Khmer. Khmer unite with one another to fight the Vietnamese aggressors." Furthermore, our compatriots have confidence in this policy of our Democratic Kampuchean Government. Cambodian employees, soldiers, and militiamen, who have confidence in this policy, are determined to unite with the entire Cambodian nation and people as well as our national army and guerrillas to fight the Vietnamese enemy aggressors. This has increased the resistance forces against the Vietnamese enemy aggressors all over the country.



We have pursued our activities to fight the Vietnamese enemy aggressors on all battlefields. We have inflicted many more casualties on the aggressors. We have launched sweeping operations and destroyed many small and medium-size positions of the enemy aggressors on all battlefields. We have repeatedly defeated many small and medium-size attacks by the enemy. Moreover, we have attacked and cut important strategic supply lines of the Vietnamese enemy aggressors, in particular the Phnom Penh-Battambang railroad, the Phnom Penh-Kompong Som railroad, Routes 5 and 6, and the Tonle Sap waterway. These guerrilla activities have been carried out in all provinces and districts in the country, especially on the first group of battlefields around Tonle Sap Lake, in the areas around Battambang town, along the Tonle Sap River, and on the battlefield northwest of Phnom Penh. This situation has forced the Vietnamese enemy aggressors to repeatedly send reinforcement troops to resist us in these regions. However, the Vietnamese have not been able to resist the activities of our national army and guerrillas in these areas. We have actively intensified our battle activities against the Vietnamese enemy aggressors in all fields in conformity with our 5-point strategy.

In parallel with these guerrilla activities, we successively attacked and destroyed important positions, district seats, and townships. On 9 October, we attacked the Vietnamese enemy aggressors in Kompong Thom town near the post office. On 11 October, we attacked, destroyed, and occupied Prek Chruk township on Route 6 in Siem Reap Province. On 12 October, we attacked and destroyed the Vietnamese enemy aggressors at Prek Kdam ferry station and Kompong Luong township for the third time. On 20 October, we fired 107-mm rockets into Battambang town, destroying a number of Vietnamese positions, and inflicting a number of casualties on the Vietnamese enemy aggressors. On 21 October, we attacked, destroyed, liberated, and occupied Ratanamondol township on Route 10, West Battambang. On 21 October, we attacked and destroyed Prek Toal township in East Battambang. On 30 October, we attacked and destroyed the Vietnamese enemy aggressors at Tang Krasang, which is the district seat of Santuk District, Kompong Thom Province. On 5 November, we attacked and liberated Khnay Romeas township and Rung Chrey commune, Bavel District, Battambang Province. On 6 November, we attacked and destroyed the Vietnamese enemy aggressors at Thmar Puok district seat, Battambang Province.

At the beginning of this 8th dry season, although the Vietnamese enemy aggressors have sent more reinforcement troops, military materiel, cannons, and tanks to resist us and attempt to destroy our resistance forces, the battle activities staged by our National Army and guerrillas against the aggressors have actively developed in the interior of Cambodia, especially in the regions around the Tonle Sap connected with the areas adjacent to Phnom Penh as well as in western Cambodia. On 10 November, we smashed a big offensive by the Vietnamese enemy aggressors on the Pailin battlefield by inflicting 159 casualties on the aggressors.

Our entire National Army and guerrillas, who have a firm spirit of patriotism, love for the people, and love for our Cambodian race, are determined to unite shoulder to shoulder with our compatriots throughout the country and all patriotic forces to raise higher the banner of struggle in continuing to fight the Vietnamese enemy aggressors in conformity with our 5-point strategy more actively, with more initiatives, and mastery of the situation.

Our National Army and guerrillas pledge to successfully smash the Vietnamese enemy's dry season offensive so that our struggle for national liberation against the Vietnamese enemy aggressors advances with another important step.

SRV TROOPS INTRUDE: LAO PLANE VIOLATES AIRSPACE

BK190210 Bangkok THE NATION in English 19 Nov 85 pp 1, 2

[Text] Trat -- A marine officer was killed and a ranger wounded in a clash with a group of Vietnamese intruders in the Thai-Kampuchean border areas here yesterday, a Navy spokesman said.

Captain Suthat Wongthai, chief of the Navy's Public Relations section, told reporters that the clash lasted about half an hour in the vicinity of Chamrak village in Muang District of this eastern province. He said Warrant Officer (First Class) Surat Kanitthabutr, commander of a marine-trained ranger company, was killed in the fierce fighting while ranger Somkit Wathanti was wounded.

The Vietnamese intruders, whose casualties are not known, were pushed back into Kampuchea as a result of the clash during which the Vietnamese mounted a rocket attack and machinegun fire on the Thai rangers, the spokesman said. He added that the Vietnamese soldiers were countered by violent retaliation from the rangers of the 502 Regiment.

Meanwhile, on the Thai-Laotian frontier in the northeastern province of Nong Khai, a Soviet-made MIG-21 aircraft of the Laotian Air Force Friday flew over five kilometres of Thai air space, informed sources said. The sources said the Laotian plane, patrolling along the Laotian frontier opposite the Thai border area stretching about seven kilometres from Muang District to Tha Bo District, violated the Thai air space at about 0.30 p.m. They said the Laotian plane flew at such a low altitude that it could be clearly seen by the Thai villagers in the area. According to the sources, Deputy Governor of Nong Khai Maj Prida Wisaicharoen yesterday sent an urgent note to the Thai ambassador to Vientiane to file a protest with the Laotian Government on the violation of Thai air space.

ARMY TO RECEIVE 24 PRC TANKS 'LATE THIS MONTH'

BK190140 Bangkok THE NATION in English 19 Nov 85 pp 1, 2

[Text] Thailand will soon receive 24 Chinese-made battle tanks as part of a military grant aid which Beijing began for the Thai armed forces with the delivery of 130 mm artillery pieces sufficient for a battalion of troopers a few months ago, informed military sources told THE NATION yesterday.

The supply of military hardware by China is for Thailand to boost its strength to counter possible attacks by foreign forces now occupying neighbouring Kampuchea.

The sources said that the Chinese tank known as model 59 is a modified version of the Russian-invented T-54 and its sister model, the T-55 tank. The Chinese tanks are due to arrive here late this month.

It is the first major military grant aid from China to the Thai forces. Thailand has all along been cautious about receiving military aid from a Communist country. Supreme Commander Gen Athit Kamlang-ek, commenting on the question of Chinese aid last Saturday, however, said that he saw nothing wrong in receiving military aid from friendly countries, be it the United States or China, if the aid has no strings attached.

Military sources said that Beijing pledged a supply of 130 mm artillery pieces comprising 18 sets in the wake of the Vietnamese onslaught on a Khmer resistance stronghold at Ta-tum during the last dry-season offensive. The Ta-tum base of the Sihanoukist forces fell to the Vietnamese after fierce fighting between the two rival forces.

The fall of Ta-tum as well as mother border resistance strongholds has underscored the necessity for Thai forces to beef up their defence capabilities. Observers also noted the timing of the delivery of the Chinese aid on the eve of the anticipated Vietnamese dry-season offensive, expected to be as fierce as the last one.

The sources said that 17 sets of the Chinese artillery pieces are now kept at the Lopburi-based Artillery Centre while the others are kept at the Army Ordinance Department and would be dissembled for army artillery experts to chart out a course on the use of the Chinese weapons.

The Chinese tanks are expected to be moved to the Lopburi-based Cavalry Centre upon arrival late this month, according to the sources. The sources said that the Chinese tank has similar combat competence as the T-54 and T-55 tanks which are the mainstay of the Vietnamese forces in Kampuchea.

A delegation of Chinese military men had earlier visited Thailand for talks with Thai counterparts and during the visit, the Chinese were told of the need of the Thai defence forces to have more tanks. The major obstacle to the beef-up of the Thai defence forces is the lack of budget for the procurement of sophisticated weapons, the sources said.

The Royal Thai Army [RTA] has a long-standing plan to procure more tanks but the plan has been delayed indefinitely. The sources said that in the meantime, many tank manufacturers of OF-40 tanks, the German manufacturer of Leopard-1 and the American manufacturer of Commando Sting Ray tanks, have sought to clinch a deal with the RTA over the supply of their tanks. The Chinese previously offered to sell the Model 59 tanks to the RTA at a "friendship price." However, the Thai side only acknowledged the offer. Lately, the Chinese agreed to supply the tanks as grant aid.

Each model 59 tank or T-54, T-55 tank weighs about 36 tons. Four officers are required to command such a tank which has a speed of 50 kms per hour and an operating range of 400 kms. The diesel engine of such a tank has driving force to 520 horse power. Each mounted with a 100 mm cannon.

The sources said that Gen Athit observed the demonstration of the tank's capability during his last visit to China. He was quoted as expressing appreciation for the tank's combat capability during the observation trip. Military sources also said that Army Chief-of-Staff Gen Chawalit Yongchaiyut was scheduled to visit China either late this month or early next month. He is expected to discuss Chinese military aid during the trip, according to the sources.

#### CABINET MEETING DISCUSSES TIN PRICE PROBLEM

BK200256 Bangkok Domestic Service in Thai 1300 GMT 19 Nov 85

[Excerpt] Government spokesman Trairong Suwannakhiri and deputy government spokesman Pramot Sukhum jointly reported on today's Cabinet meeting, which was held at Government House under the chairmanship of Prime Minister General Prem Tinsulanon. Major issues discussed during the meeting were:

The Industry Ministry told the meeting that the tin price in the world market has dropped significantly. Although the International Tin Council has tried to map out measures to rescue the situation, such as buying tin through international buffer stock and setting quotas for arranging, producing, and exporting tin for member countries, there is still no sign of recovery of the tin price in the world market.



The tin markets in Malaysia and London -- the major tin markets of the world -- have suspended trading for 2 weeks, causing hardships to tin miners and this may force most or all tin miners to stop operations, which would have an impact on the country's economy as a whole. Therefore, it is appropriate to carry out the following urgent relief measures:

The tin pricing system should be restructured so that quotations in markets other than in the Malaysian market can be used to fix the market price. It is appropriate to set up regulations for tin pricing as follows:

The latest price in the Malaysian tin market is to be used as the posted price. In case there is no trading on the Malaysian tin market for 3 consecutive days, the latest quotation from the London market, excluding freight and insurance fees from London port to Bangkok port, will be applied.

In cases where there is no trading on the Malaysian and the London markets, the latest quotation from the New York markets minus freight and insurance fees from New York port to Bangkok port, will be used.

In cases where there is no trading on the Malaysian, London, and New York markets, the price will be fixed by the director general of the Mineral Resources Department.

In order to reduce the production costs of tin miners to cope with the present world market situation, it is appropriate to lift the collection of a special fee of 2.5 percent of the tin royalty rate until there is an improvement in the world tin market. To help miners reduce operating expenses, the special fee collection can be temporarily suspended.

A policy to allow exporting tin ore should be adopted. Tin miners and purchasers in the country are now unable to export tin ore because a Cabinet resolution on 15 June 1965 bans tin ore exports. Only when tin ore is smelted to metal is export allowed. In order to cope with the present tin situation, tin ore exports should be approved in line with regulations to be set up by the Industry Ministry. Therefore, it proposed that the Cabinet draft ministerial regulations for enforcement. After consideration, the Cabinet approved in principle the proposals, and assigned the juridical council to scrutinize the drafts immediately.

#### ARTICLE ON CONSTRUCTION OF NEW SRV-LAOS RAILWAY

BK171126 Bangkok MATICHON SUT CAPDA in Thai 10 Nov 85 p 8

[Unattributed article: "New Strategy To Strengthen Vietnam's and Laos' Economic Infrastructure"]

[Text] From late 1984 to May 1985 a team of 6 Soviet railway specialists, escorted by 30 Vietnamese soldiers, conducted a survey on constructing a railroad from Vietnam's Danang seaport to Laos' Keng Kabao wharf, opposite the Pa Dong Mu area in Wan Yai subdistrict of Mukdahan Province. The new rail track, expected to be built by Vietnamese workers during the upcoming dry season, will be cut through Binh Tri Thien Province and Lam Son 719 township in parallel with Route No 9 to Phin, Phalan, and Seno towns of Savannakhet Province, respectively, before ending at Keng Kabao wharf.

Keng Kabao wharf officially began operations in May. It was built by a Japanese company with Soviet financial assistance after a feasibility study was completed by the GDR. Other facilities at the wharf include warehouses, staff living quarters, and two cranes. In August, a 40-km-long high-power transmission line was installed to bring electricity from Savannakhet provincial seat to the wharf.

Moreover, a military engineering unit from Binh Tri Thien Province and soldiers from Division 968 in Savannakhet have also built two ferry boats, each with a loading capacity of over 30 metric tons and powered by tractor engines for the wharf, in addition to the two cargo vessels built in Mukdahan Province and delivered to Lao authorities in April.

Why the Danang-Keng Kabao rail link will be built and why it has to end in Keng Kabao, which is located opposite the common border area of Nakhon Phanom and Mukdahan Provinces, remain unanswered questions. Normally the transportation of goods from Danang port to the LPDR by trucks along Route 9 is quite sufficient. Route 9 is an asphalt-paved road and is as wide as 10 km [as published]. It can take heavy loads and crosses many rivers with bridges built with assistance from Czechoslovakia and Bulgaria. It is the best road Laos has ever had.

The LPDR's Border Transit Transport Company No 2 has been using the route to send wood products, timber, herbal plants, and buffaloes to Vietnam. Lao border defense troops have clashed with guards of the convoys carrying Lao goods to Vietnam on several occasions.

The construction of the Danang-Keng Kabao railroad was recommended by a Soviet firm that was hired to build and repair roads in Laos. Many roads in Laos are laterite ones and cannot be used during the rainy season. The firm found that Laos still has considerable mineral resources that can be exploited, and a railroad could help facilitate the transportation of ores to the Vietnamese seaport.

On 17 August, a 6-man LPDR delegation, led by Son Nasai, signed an agreement with a Soviet mining delegation under which a Soviet company was granted an 8-year gold and silver mining concession in Savannakhet Province. The projected railroad will certainly help the transportation of Laos' enormous underground resources out of the country.

Analysts watching the border situation believe that the railroad will also be used for delivery of heavy weapons and war equipment, particularly tanks, to Laos.

Vietnam set up a tank division in Laos in 1984. It is staffed by Vietnamese, Lao, and Cambodian soldiers with the proportion of 1 Vietnamese for every 10 Lao and Cambodian soldiers. Members of this unit are required to undergo an 18-month training course: 1 year of weaponry and tank maneuvering in Vietnam, and 6 months of tactical training in Champassak Province on the Thai-Lao border.

The Indochinese federation's tank division recruited most of its personnel from the LPDR's regiment 4 D and Vietnam's Divisions 336 and 384.

A large number of tanks operating in Laos today are 5-72, 5-54, and 5-48 tanks, besides amphibious vehicles that can be used as bridges for tanks crossing small rivers. Most of them were seen heading toward Cambodia via Routes 13 and 23 as the dry season drew near.

According to Plan 5K, to be used in the upcoming offensive in Cambodia, the Indochinese federation's tank division will be assigned to force the Cambodian people along the Thai border to move deeper inside Cambodia to prevent them from obstructing the suppression drive against the Democratic Kampuchean forces. Vietnam has chosen to use the routes in Laos because they are safer than those in Cambodia.

With Soviet high technology and modern equipment, coupled with free labor force, the Danang-Keng Kabao railroad will soon take shape and make news endlessly.

KRIANGSAK INTERVIEWED ON 9 SEPTEMBER ACTIONS

BK190945 Bangkok BANGKOK POST in English 19 Nov 85 p 4

[Interview with former Thai Prime Minister and Military Supreme Commander Kriangsak Chamanan in Bangkok by Anthony Paul of ASIAWEEK: "The Eagle at Bay"; date not given -- "reprinted by permission of ASIAWEEK Magazine"]

[Text] I had last seen Kriangsak in June, at a private dinner at the Oriental Hotel. We were marking, a few weeks late, the tenth anniversary of Saigon's fall. Sipping an elegant French white burgundy, the old Eagle of Bang Khen had talked of his behind-the-scenes role in the closing stages of that war.

On this November night the circumstances and surroundings are very different. The thread-bare sofa from which Kriangsak rises to greet me belongs to a police colonel whose offices at Crime Suppression headquarters have been converted into an impromptu jail. Kriangsak grasps my hand and shakes it warmly. Briefly, he seems his old self, but it is soon plain that this eagle is troubled by strange, buffeting air currents.

He passes me a clipping from a U.S.-based newsletter alleging that Henry Kissinger has called for Kriangsak's "judicial murder." "Kriangsak is dangerous and should be eliminated," the newsletter quotes the former U.S. secretary of state as telling Prime Minister Prem Tinsulanon. The report has been picked up by the Thai press. Kriangsak is also concerned about remarks he thinks were made about him to Prem in Jakarta by U.S. Ambassador John Holdridge on the morning of the coup.

During our two-hour conversation, Kriangsak's emotions range from anger at his imprisonment ("I did nothing wrong") to bafflement at history's sudden turn. Mostly he is sombre. His story:

"The previous day, I'd stayed home and relaxed. In the evening I watched television. I took valium -- which makes me sleep for six hours or more -- antacid and tablets for high bloodpressure, and went to bed. I was planning to sleep until about 6 a.m. Shortly after 3 a.m. -- I don't know exactly -- my servants came and woke me and told me soldiers would like to see me. About 20 soldiers and policemen, fully equipped. One pickup truck and two sedans. They surrounded my place and chased my security guard inside. I think they feared he might get a gun and fight them. One of the vehicles belonged to '123' (emergency crime-suppression units created by Supreme Commander Athit Kamlang-ek) Headquarters in Bangkok.

"I think: Something might be happening, maybe a coup or something since they've come in such numbers. I must find a way out. How? I go back and try to sleep for another half-hour, then get up and walk around, thinking. Information comes up to me from time to time through my son Pongpi-pat. He's a lieutenant in a tank battalion. He was staying with me.

"Finally I decided I cannot find a way out. To protect my guard's life and my family's security, I decided to face them. I get up again and take a bath. At the request of the soldier who has come, I try to dress in uniform. Actually, I think I should [preceding word in italics] dress in uniform because I think it will protect me. Others will respect me and no one will harm me. But I hadn't prepared anything. I had to wear my son's shoes. It was three or four years since I'd worn my uniform. I had to use my son's trousers.

"I left the house at 5:30 a.m. I made myself very calm, like a soldier. I did not question. (The group's leader) took me to the '123' sedan. There was a driver and a fully equipped soldier in front. I sat in the back seat on the (group leader's) right.



"By now it was starting to get light. I looked at the man in the back seat and asked him: 'Who are you?' To me he looked like Manun Rupkhachon (the ex-colonel who led an April 1981 attempted coup by the so-called Young Turk faction in the military). He told me very briefly that his name was Manat, brother of Manun.

"I asked: 'Where are you taking me?' And he just mumbled something, like, 'I'm taking you to headquarters.' He didn't say which headquarters. I wanted to ask, but I was reluctant. I didn't like to bother them very much because the situation was dangerous. I just sat in silence."

The car passed by Parliament. In the early morning light, Kriangsak saw tanks and combat-equipped troops. Downtown, at Sanam Suapa, there were more troops. "I saw Manun in a green uniform with white tennis shoes. He couldn't wear boots because of trouble with his feet. The last time I'd seen him was in April 1981. At that time the young Turks, who were holding Bangkok, had come to my house to ask me to mediate. And I'd gone to Korat [Nakhon Ratchasima], carrying their requests to the king, Athit and Prem.

"(At Sanam Suapa, the coupmakers' headquarters) I ignored him. I sat in the operations centre sitting-room. That was about 6:10 a.m. I saw Gen Soem, Gen Yot and (air force chief) Praphan already there at the main table. Praphan was there in a sports shirt but about 20 minutes later he was wearing a uniform. Everyone tried to behave normally. We just shook hands and kept calm. Nobody asked: 'Why are you here? Because you came yourself? Because you were brought here?' No.

"I sat at the main table alongside Soem and opposite Praphan. I saw Gen Bunyarit and Admiral Supha, and Air Chief Marshal Arun, Athit's deputy. Air Chief Marshal Krasae came in after them. When I sat at the main table there was no meeting, nothing. I did nothing, because I (was not party to) this. I just acted like a soldier. Kept calm.

"A group of people like a secretariat (gave us) a communique. It was typewritten. A copy was passed to everyone for comment. Gen Soem just looked at it. It was passed to me for only one or two minutes. I told them: 'There's something wrong in your communique. You say you will use protectionism (to solve Thailand's economic problems). Nobody and no country will support you. This you can't use.' I took a pen and I struck it out. I didn't go through it word by word. No, no. Second point I told them: 'You won't have the money to put 250,000 students to work. Scratch it out.' Third point was (the coupmakers' assertion that) 'labour can be assigned as managers in state enterprises.' 'This will bring confusion,' I said. 'Strike it out.' They put it on the air without my deletions.

"I had some chicken rice in the officers' mess and then I heard the guns -- bang! People started to say Manun had ordered (his troops) to shoot the radio antennae. So I went to the Special Operations room and shouted, 'Whose order was it to fire? What in God's name is happening!'"

By Kriangsak's account, it was now about 10 a.m. At coup H.Q. the situation had begun to deteriorate. Contact had been lost with the 11th Infantry Regiment, where Deputy Army Chief Thianchai Sirisamphan and Lt-Gen Chawalit Youngchaiyut had set up a counter-coup H.Q. It proved possible, however, to contact Lt-Gen Phichit Kunlawanit at 1st Army Area H.Q.

"I volunteered to go to Phichit's headquarters to talk with Phichit. At first they were going to let me go alone. But later someone said. 'Gen Yot should go with you.' So off we went.

"As we passed Manun, I heard him burst out: 'Whatever the King orders, I'll obey. Even if I'm to be shot! I will accept the King's orders! Manun's manner was very tense. Emotional.

"I arrived at Phichit's headquarters with Yot at about noon. At the beginning, I mentioned four things: One, cease fire and cease confrontation; two, stop attacking one way or the other by radio or television; three, help each other to disperse the mob -- Phichit agreed; it seemed everyone agreed to that; and four, relocate or withdraw the tanks and troops..."

Prem had flown directly to Hat Yai, where he taped a statement that was later broadcast on nationwide radio and TV. He also went for consultations with the King, who was visiting Narathiwat Province. On Kriangsak's advice, Soem referred to Phichit the problem of sending Manun abroad.

Says Kriangsak: "Manun asked for his brother and one soldier to go with him, but they had gone away and so he went with another two (escorts), whom he sent back from Singapore." After more negotiations, Phichit dictated a statement that effectively ended the coup.

Kriangsak went home. Remembering, his expression and tone turn wearily sarcastic: "Do you believe that three or four old soldiers can order up 20, 30 or more tanks from here, from Saraburi and some other posts? The (serving military men who have been arrested) are only soldiers or sergeants. (Wry laugh.) So who is in it?

"I'm so tired. Do you think I would accept being prime minister? I'm happy with my record as it is. I've been 45 years in service. I can be happy with my life, doing my hobbies and being with people. That's all. I have no ambition, (only that) I'm ready to campaign in '87.

"(On September 9) I didn't ask for an amnesty. I consider it would have been like admitting guilt, and I wasn't guilty. But now I hope (for an amnesty). It doesn't concern just me. What I am afraid of is that unity will (suffer)..."

Kriangsak believes his contribution to the nation has been "to arrange compromise, to manoeuvre the situation in difficult times." He says his actions on September 9 were consistent with that record. He feels that no other Thai soldier has had greater opportunities to serve -- "like in Vietnam, in Korea, during the fighting, making decisions." He believes he was especially effective in his efforts to help end the era of hostility between China and the U.S. Now he has a sense that the Americans have abandoned him. (footnote) (Sources close to Kriangsak say he is particularly concerned about an account of a meeting between visiting Premier Prem and the U.S. Ambassador to Indonesia, John Holdridge, in Jakarta on the morning of September 9. Kriangsak, says the source, heard privately that Holdridge informed Prem a coup was under way in Bangkok and that "the whole thing is being manipulated by Kriangsak." Kriangsak reportedly believes Prem decided then to throw the book at him. Ambassador Holdridge told ASIaweek's Andree Feillard over tea at his Jakarta home last weekend, however, that he had no such encounter with Prem and hadn't said anything of that sort to anybody. Holdridge said he did meet on September 9 with Foreign Minister Sitthi Sawetsila who, said Holdridge, asked whether the Americans knew whether Kriangsak and Yot were involved in the coup. Holdridge says he told Sitthi he knew nothing and that the embassy in Bangkok didn't seem to know anything either. In fact, says Holdridge: "I (earlier) received a call from the U.S. Embassy in Bangkok asking me to find out -- if I could -- what the Thai leaders down here knew about it.")

HANOI ON REAGAN'S 'HARD-LINE' ADVISERS

BK191337 Hano Domestic Service in Vietnamese 1430 GMT '8 Nov 85

[Unattributed "article": "Hours and Minutes Before the Soviet-U.S. Summit Conference"]

[Text] U.S. President Reagan stated before the start of the Soviet-U.S. summit conference in Geneva that he will give top priority in this conference to the question of peace. This is what the U.S. President has pledged on several occasions. But what most concerns the public is whether the man with the highest responsibility in the United States can carry out his pledge in a concrete and clear-cut fashion. In the same tone, a White House spokesman on 17 November stated that U.S. President Reagan would strive to map out a new policy quite different from what was followed by his predecessors to direct all relations between the United States and the Soviet Union, and that the United States would strive to do anything it could to seek an overall agreement with the Soviet Union.

The most belligerent hawkist forces in Washington, who remain uninformed of what the U.S. President will bring with him to the conference table to seek agreement with his top-ranking Soviet interlocutor, have been demanding that Reagan do this and that. U.S. Defense Secretary Weinberger wrote Reagan, asking him to adopt a hard-line toward the Soviet Union. Weinberger clamored that the Soviet Union is violating the SALT II treaty. Thus, Reagan should not make any pledge about the United States continuing to observe all the clauses of this treaty.

According to the BBC, someone in the U.S. Government is trying to undermine the Geneva summit conference by disclosing the content of Weinberger's letter, and a number of the U.S. defense secretary's subordinates bear responsibility for this incident. The public raised many suspicious questions as to whether this was merely a coincidence or a premeditated incident. Could it be that this is a ploy directed by the White House and the Pentagon to spoil the atmosphere in anticipation of the Soviet-U.S. summit conference and that this is a premeditated move of the people in charge in the United States? But a number of low-level officials have been blamed for the disclosure of U.S. Defense Secretary Weinberger's letter. Moreover, it has been confirmed that the letter exists, as does the pressure from Weinberger. Efforts are being made to find out who disclosed the letter.

This incident remains unclear, but there is another, more visible incident involving Former U.S. Secretary of State Kissinger, who has urged U.S. President Reagan to adopt a hard-line stand toward the Soviet Union at the Soviet-U.S. summit conference. Kissinger holds that such a stand can create a way of escape for Washington. In a 17 November dispatch from London, the KUNA news agency further reported on this incident, saying that in a press article published in the British capital, Kissinger also held that it is necessary for Reagan to seek to further pressure the Soviet Union into changing its policy. Kissinger advised Reagan not to seek any compromise over the Strategic Defense Initiative [SDI], also known as "star wars". Thus, there is pressure -- whether or not this pressure comes from the White House is not sure -- demanding the adoption of a hard-line stand toward the Soviet Union in the Geneva dialogue. With such rhetoric by Kissinger and Weinberger, how can one subscribe to the U.S. President's pledge that he is going to Geneva for the sake of peace.

While the White House shows signs that raise the people's hope, a public opinion poll indicates that the U.S. stand toward the Soviet Union has not changed much since the height of the cold war. Like the peoples in other countries, the U.S. people, unlike the hawkist forces in the United States, desire peace and wish to see the Soviet-U.S. summit conference conclude successfully.



A Gallup poll conducted a few days before the opening of the Soviet-U.S. summit conference shows that 74 percent of the Americans interviewed want Reagan to sign an agreement on nuclear arms in Geneva and regard nuclear arms as the greatest threat to peace in the United States and the world. This result shows once again that the hard-line, anti-~~tente~~ position is espoused only by a handful of warlike, militaristic influential persons in the United States.

The SDI program enthusiastically embraced by the Reagan administration is not supported by the American people. Americans think that this strategic defense system is designed not to protect the world or U.S. cities and missiles, but to safeguard the interests of the capitalist consortiums producing arms for the Pentagon under contract.

While the U.S. President's travel to Geneva is marked by the sounds of Weinberger's and Kissinger's teeth-grinding, in the Soviet Union once can hear only voices of peace expressing goodwill and wishes for a clear-cut and concrete agreement with the United States that responds to the aspirations of the peoples in various countries. On 17 November, the Soviet Union once again reaffirmed its position before the world, pledging never to be the first to deploy offensive weapons in space and demanding the ban of space offensive weapons in all stages of development, including the research stage.

#### FORMER FOREIGN MINISTER URGES PRC TRADE TIES

HK170901 Hong Kong AFP in English 0814 GMT 17 Nov 85

[By Pierre-Antoine Donnet]

[Text] Beijing, Nov 17 (AFP) -- A former Vietnamese foreign minister has appealed for China and Vietnam to resume trading ties and has said he is convinced that political normalisation between them is also possible. In a letter to AGENCE FRANCE-PRESSE received here today, Phan Anh, the most senior Hanoi figure to come here since the two countries' quarrelled in 1978, said Vietnam wanted to cooperate with China. Mr Phan Anh said that "despite their vicissitudes," there should be an improvement in relations with "our big northern neighbour which has enormous potential and with whom we have links dating back a millenium."

The former minister, who played a key role in Sino-Vietnamese relations from the 1950's onwards, said he arrived here Friday as head of a Vietnamese delegation taking part in the Asia-Pacific International Trade Fair (ASPAT 1985). He said that Vietnam had several times proposed a normalisation of relations with China. "I am convinced that with goodwill and perseverance on both sides the question will be resolved in the best interests of both our peoples and for the preservation of our traditional friendship, for peace, independence and the sovereignty and development of all nations in the region," the former minister added. Mr Phan Anh, who also served as industry and foreign trade minister, paid an earlier visit to China in April, the first known visit by a senior Vietnamese figure since 1978. He is now chairman of Vietnam's Association for Safe-guarding Peace.

Since China launched a brief but bloody war on Vietnam in February 1979 after Hanoi's troops marched into Cambodia, the two governments have had no direct public contact apart from brief handshakes at the United Nations. There have been regular reports of skirmishes across their rugged 1,100-kilometer border with each side blaming the other while China has insisted that no normalisation talks can take place before Hanoi withdraws its estimated 150,000-170,000 troops from Cambodia.

Mr. Phan Anh's two visits here and Hanoi's participation in ASPAT 85 would have been impossible without green light from the top Chinese leaders and must therefore reflect a certain goodwill in Beijing, Western diplomats said. Meetings have likely taken place in secret since 1978 but such public contacts automatically take on a special importance amid the current state of relations, the diplomats said.

On Thursday, Hoang Nhu Ly, deputy general director of Vietnam's Ministry of Foreign Affairs, said he hoped Hanoi's participation in ASPAT 85 would allow the two countries to resume their trading links after a seven-year break. Sun Fang, vice-president of the China Council for the Promotion of International Trade, (CCPIT) has said, however, that Vietnam's attendance has "no bearing on Sino-Vietnamese relations." He said Vietnam had been invited as a matter of course, being a member of the U.N. Economic and Social Council for Asia and the Pacific (ESCAP), which is co-organizing the trade fair with the CCPIT.

China had maintained very close relations with Vietnam since the 1950's, giving Hanoi hefty economic aid and support in the wars with both France and the United States. Beijing is presently, however, the main backer of the tripartite resistance coalition led by Prince Norodom Sihanouk, which is fighting the Vietnamese in Cambodia.

#### Trade Officials Confer

HK190836 Hong Kong AFP in English 0750 GMT 19 Nov 85

[By Pierre-Antoine Donnet]

[Text] Beijing, Nov 19 (AFP) -- Vietnam is taking advantage of its first appearance at a trade fair here since it split with China seven years ago to renew contact with Chinese leaders and try to restore direct trade links. Vietnamese trade officials, here for the Asia-Pacific International Trade Fair (APFAT 85) which opened two days ago, have already met with Chinese officials to discuss the trade issue, according to Tran Xuan Phoi, general director of the Vietnamese Foreign Trade Ministry.

Phan Anh, a former Vietnamese foreign trade minister and an influential figure in the Vietnamese Government, has met with China Council for the Promotion of International Trade (CCPIT) President Wang Yaoting and expects to meet with other officials while he is here, Mr Tran said. Mr Phan Anh, the highest ranking Hanoi official to visit Beijing since the two countries quarreled in 1978, has also organised a cocktail party to mark "Vietnam Day" at the trade fair. Several Chinese officials have been invited along with diplomats and reporters.

The Vietnamese exhibit at the fair has attracted the attention of thousands of curious visitors, many of them Chinese, a member of the Vietnamese delegation told AGENCE FRANCE-PRESSE. The exhibit, which covers about 180 square meters (1944 square feet) of floor space, presents a pacifist image of Vietnam, focusing mainly on the country's craft industry. Curious onlookers are greeted by a portrait of Ho Chi Minh, the father of the Vietnamese revolution, and the sound of love songs emanating from a video system.

"The restoration of trade links with China could pave the way for a mutual understanding between our two peoples," Mr Tran said. He refused to comment on the possibility of a normalisation of relations between the two countries, but he added, "meeting with one another is always a good thing." Western diplomats here said Mr Phan Anh, who is also a former foreign affairs minister, could have been sent to act as an intermediary between the two governments which have had no contact since their split apart from routine handshakes at the United Nations and a few possible secret meetings.

"Mr Phan Anh has not come to Beijing just to play host at a cocktail party. His presence may not necessarily lead to an improvement in Sino-Vietnamese relations, but he clearly has a message to deliver and one to receive," one of the diplomats said.

The visit of Mr Phan Anh, who played an important role in Sino-Vietnamese relations in the 1950's, and Vietnam's decision to participate in the trade fair, could not have occurred without the approval of some of China's most senior officials, the diplomats said. Mr Phan Anh, who is president of the Vietnamese Association for the Preservation of Peace, said Sunday that he was "convinced" that relations between Beijing and Hanoi would improve, despite the current "vicissitudes."

Sun Fang, vice-president of the CCPIT, has said, however, that Vietnam's attendance has "no bearing on Sino-Vietnamese relations." China clashed with Vietnam in a brief but bloody border conflict in February 1979 which left several thousand dead. The conflict occurred a few months after Vietnamese troops entered Cambodia to depose the pro-Chinese Khmer Rouge government in Phnom Penh. Relations since then have been tense, with each country accusing the other of instigating skirmishes along their common border. Beijing has said that Vietnam must withdraw its troops from Cambodia before any steps will be taken to normalise relations. Beijing had maintained very close relations with Vietnam since the 1950's, giving Hanoi hefty economic aid and support in its wars with both France and the United States.

#### PHAM VAN DONG RECEIVES SAMARANCH 14 NOVEMBER

OW141643 Hanoi VNA in English 1540 GMT 14 Nov 85

[Text] Hanoi VNA Nov 14 -- Chairman of the Council of Ministers Pham Van Dong received this afternoon H.A. Samaranch, president of the International Olympic Committee (IOC), who arrived in Hanoi this morning for a visit to Vietnam. Chairman Pham Van Dong welcomed Mr. Samaranch's visit and thanked him for his sympathies towards Vietnam. The two exchanged opinions on common questions in the international Olympic movement for peace, friendship and mutual understanding among nations.

Ta Quang Chien, president of the Vietnamese Olympic Committee was present at the cordial meeting. This is the second visit of Mr. Samaranch since 1982. He is scheduled to leave on November 16.

#### SUMMER-FALL RICE HARVEST CALLED 'BEST EVER'

BK161409 Hanoi Domestic Service in Vietnamese 2300 GMT 15 Nov 85

[Text] The General Statistics Department and the Ministry of Agriculture reported that localities in the country have harvested 858,000 hectares of summer-fall rice with a yield of 39.9 quintals per hectare, or a total output of about 2.99 million metric tons. Although the production plan norm for this crop has not been fulfilled, the rice area increased by 48,000 hectares and production output increased by 0.9 quintal per hectare compared with the previous crop. This is the best summer-fall rice crop the country has ever had.

In recent years, provinces from Nghe Tinh southward have striven to expand more area for summer-fall rice crops and accelerate intensive cultivation to increase production output of the summer-fall crop, the second productive crop after the winter-spring crop this year. Due to natural calamity which damaged the 10th-month rice crop this year, the grain situation is developing with difficulty. Localities throughout the country are caring for and protecting the 10th-month rice while accelerating the winter crop planting to make up for the losses and striving to improve the material and technical bases to harvest a totally successful 1985-86 winter-spring crop.



LE DUAN MEETS TAP CHI CONG SAN EDITORIAL STAFF

BK190316 Hanoi Domestic Service in Vietnamese 1430 GMT 18 Nov 85

[Text] On the occasion of the 30th anniversary of the journal TAP CHI CONG SAN -- a theoretical and political organ of the CPV -- Comrade Le Duan, general secretary of the party Central Committee, recently visited and addressed the editorial staff of this journal.

Comrade Hong Chuong, editor-in-chief of the TAP CHI CONG SAN, all the comrades in the editorial staff, a large number of cadres and collaborators working for the journal, and many cadres in charge of ideological and press affairs joyfully gave the esteemed comrade general secretary a warm welcome.

In a cordial and open-minded discussion, the comrade general secretary mentioned many issues regarding theory and the reality of the Vietnamese revolution during various stages. He concluded by urging information and theoretical workers to grasp firmly party lines and, through the use of their wisdom and creative labor, contribute to further enriching revolutionary theory, further instilling party lines and policies in a broad section of the working people, and creating a seething mass revolutionary movement to implement successfully the two strategic missions -- building and defending the socialist fatherland.

NHAN DAN ON MARKET TRANSFORMATION, MANAGEMENT

BK191507 Hanoi Domestic Service in Vietnamese 2300 GMT 18 Nov 85

[NHAN DAN 19 November editorial: "Implementing the Eighth Plenum Resolution, Resolutely Transform and Manage the Market"]

[Text] One of the main objectives in resolving the problems of prices, wages, and money in accordance with the eighth plenum resolution is state control of production, distribution and circulation, market, and prices. Resolving these problems must be connected closely with the transformation and management of the market and the struggle between the socialist and capitalist paths, between us and the enemy. If these problems are resolved on the basis of eliminating bureaucratic centralism and shifting to socialist economic accounting and business, a new motivating force, new balance, and new potential will be created to carry out the socialist transformation and management of the market and enable the state to control the market.

Implementing the eighth plenum resolution all sectors and localities have exerted much effort to transform the private capitalist trade and market management and oppose speculation, smuggling, and forgery in connection with the development of socialist trade. Distribution and circulation in some localities has definitely improved. Owing to the effort of market management and transformation, the prices of rice and meat can be maintained in many localities.

However, since the replacement of old bank notes with new ones, apart from some good projects that began to yield some results, we have had some shortcomings and deficiencies which enable the enemy, speculators, and smugglers together with some small merchants and private traders to attack the socialist battle ground very cruelly by hoarding and raking in commodities, scattering and dealing in money, conveniently increasing prices, and spreading rumors, thus disrupting the market and prices. Some cadres and personnel, especially in certain economic sectors, agencies, and units, have joined these negative activities, causing disorder in prices, market, and money.

Meanwhile, the authorities in some localities have lacked vigilance toward the plots and maneuvers of the enemy and villains and have failed to deal with them properly and effectively. In many localities, the ideological task has not been conducted promptly to educate cadres and the people on how to properly distinguish right from wrong and thoroughly understand the lines and policies expounded in the eighth plenum resolution. The local authorities have not mobilized the masses nor fully used the combined strength of dictatorship of the proletariat in order to control the market and prices.

This is a great challenge and lesson to us in market transformation and management. This is also an occasion for us to review and assess the task of market transformation and management and the leadership and management ability of the contingents of cadres so that we can take action to implement the eighth plenum resolution better.

The most difficult and complex and the fiercest problem now facing our state is control of the market and prices. The market is the place where the struggle between the socialist and capitalist paths and between us and the enemy is taking place every hour and every minute. It is impossible to resolve the problems of prices, wages, and money, shift to the new management system, master production, and stabilize money, prices and the laboring people's livelihood if we do not control the market.

The lesson we should draw from the recent past is that if we rationally define the system of prices and face values of commodities without controlling the market, without resolutely and continuously attacking speculators, smugglers, and deviant and degenerate personnel in the state machinery, and without exercising the state monopoly control of staple goods, then the free market prices will continue to escalate, causing instability.

Our duty is to continually, resolutely, and vigorously conduct the socialist transformation and management of the market. We must do it urgently but with real results by applying the various transitional forms properly and opposing nominal, perfunctory, and false transformation. The control of production, distribution, and money is the most urgent requirement for controlling prices. Under no circumstances and no matter how difficult and complex the task might be, we should not lose our managerial control or let the market, money, prices, and wages fluctuate spontaneously, causing socioeconomic instability.

If we want to struggle to maintain prices and control the market at a time when the free market still prevails and when speculators, smugglers, and dishonest traders still possess large amounts of money and commodities, it is most important that we concentrate our greatest effort on expanding the organized socialist market, shift to the method of socialist business, and rearrange the trade organization and social market. At the same time, we must sternly punish speculators, smugglers, and dishonest traders; eliminate the ringleaders by using uniform measures and close coordination among the various sectors, forces, and localities in one area, and among regions nationwide.

Experience shows that if we want to achieve positive results in market transformation and management, we must further satisfactorily educate cadres, workers, and civil servants of the party and state -- especially in the economic installations, agencies, and sectors -- on revolutionary qualities and ethics and a sense of responsibility for protecting socialist assets and we must develop the movement to build healthy, firm, and strong party organizations.

The decisive factor in transforming and managing the market, controlling the market and prices, and gradually putting the system of prices, wages, and money into effective operation in the new institutions is how to successfully launch the revolutionary mass movement and develop the laboring people's collective mastery according to the principle of party leadership, people's control, and state management. By controlling production, market, prices, and wages, we respond to people's aspirations and create conditions for the economy in our country to develop further under a new management system.

NHAN DAN ON IMPLEMENTING ECONOMIC RESOLUTIONS

13 November Editorial

BK131023 Hanoi Domestic Service in Vietnamese 2300 GMT 12 Nov 85

[NHAN DAN 13 November editorial: "Develop Collective Mastery, Implement the Eighth Plenum Resolution Better"]

[Text] The party Central Committee's eighth plenum resolution is closely connected with the fifth party Central Committee's sixth and seventh plenum resolutions and is of great revolutionary significance. It is aimed at modifying the economic management system and creating favorable conditions for the socioeconomic life in our country to develop further.

The adjustment of prices, wages, and money according to the eighth plenum resolution and the new management system alone cannot resolve all our people's problems in the initial stage of the transition to socialism. It is only one of the facilities to help our people achieve the extremely important goal of developing the laboring people's collective mastery and exploiting all existing and latent potentials in terms of labor, land, natural resources, and material and technical bases to develop the economy effectively, stabilize and gradually improve the people's livelihood, and create a source of capital accumulation for the socialist industrialization of our country and the consolidation of national defense and security.

Resolving the problems of prices, wages, and money, and shifting to the management system of socialist accounting and business transactions in accordance with the eighth plenum resolution are new, major, and very complex and difficult issues at a time when we still lack ability and experience and our economy is still rife with imbalances and affected by successive natural disasters. Moreover, the struggle between the socialist and capitalist paths, between us and the enemy, is still going on fiercely in our country.

Well aware of this, the eighth plenum resolution stresses: At a time when the economic situation has not been stabilized, the adjustment of prices, wages, and money must be carried out urgently, but projects must be calculated firmly and carefully in close connection with building and perfecting the new management system. Meanwhile, we must be able to estimate the positive aspects and the socioeconomic and political consequences of projects that might occur at a given time so that we can take active prevention and control measures.

Resolution No. 28 of the party Central Committee Political Bureau also specified clearly: Implementing the eighth plenum resolution constitutes a process of general, uniform, resolute, urgent, and steady struggle. The adequate calculation of expenses and the elimination of subsidization and compensation for losses in the national economy must also be carried out gradually according to the specific situation in the immediate future to advance toward implementing all the principles of the eighth plenum resolution.

These are very correct guidelines. Since the issuance of the eighth plenum resolution, many localities have increased wages to compensate for increased prices and have tried to include wage increases in production costs. The state has exchanged new bank notes for old ones and implemented the new systems of wages and prices. These are very important measures to implement the policy of eliminating bureaucratic centralism and subsidization and shifting to socialist economic accounting and business.

Moreover, these are major and very complicated policies that have been implemented for only a short time. Although some of them have initially yielded good results stirring up enthusiasm and confidence among cadres and the people, others have not been launched and, while implementing some specific projects, some shortcomings have been noted.



The implementation of the eighth plenum resolution on prices, wages, and money constitutes a course of general struggle that must go through many steps. We must draw experience from working, develop good points, overcome shortcomings, oppose localism, departmentalism, conservatism, sluggishness, and fear of difficulties. At the same time, we must avoid the simplistic, one-way, and hasty mode of thought that prevents us from realizing all the difficulties.

All our party, Army, and people must resolutely carry out the correct orientations and important tasks set forth in the eighth plenum resolution and Political Bureau Resolution No. 28. All echelons and sectors should review their past activities, resolved to continue guiding the observation of the established price and wage systems and, at the same time, resolutely and promptly correct some obvious shortcomings and irrationalities. The resolutions of the fifth party Central Committee's sixth, seventh, and eighth plenums constitute a strategic turning point in our party's leadership over economic management, which is reflected in linking efforts to resolve the issues of prices, wages, and money with the realization of the right of basic units to take the initiative in production and business and in linking the abolition of subsidization with the elimination of bureaucratic centralism in each step taken as well as throughout the whole process.

We cannot abolish subsidization while continuing to maintain bureaucratic centralism, and it is all the more impossible to abolish subsidization by using bureaucratic centralist methods that are far removed from the realities of production and life. Therefore, the most important issue at present is urgently to give the basic units the right to take the initiative in shifting their activities to economic accounting and socialist business.

Production is always the central task. Efforts must be concentrated on developing production, rearranging, and reorganizing production, increasing productivity, lowering production costs, and turning out wealth and goods in great quantities for society; this remains the basis for successfully readjusting prices, wages, and money. A very pressing requirement, which is also an earnest aspiration of the working people, is to master all operations from production to distribution and circulation; dominate the market; control goods and money; resolutely step up socialist transformation and market management; duly punish speculators, smugglers, and backward and degraded elements within the state machinery; control and stabilize prices; and maintain the price of essential commodities.

To implement the eighth plenum resolution even more satisfactorily, it is crucial that we initiate a revolutionary movement among the masses to develop the spirit of collective mastery of the working people. Every citizen, party member, and soldier must thoroughly and correctly understand the lines and policies of the party as reflected in the eighth plenum resolution and be determined to carry out this resolution. It is necessary always to heighten revolutionary vigilance, avoid falling for the enemy's tricks, and promptly and effectively counter groundless rumors of a psychological warfare nature and sabotage activities by the enemy.

All echelons and sectors must thoroughly grasp the ideological viewpoints of the eighth plenum resolution. With a high sense of responsibility and work conduct that is closely linked to the realities of life, they must listen attentively to the views of the masses and, through correct actions, make the people understand and have confidence in the eighth plenum resolution and in the results of the implementation of the party's and state's new policies in the interests of the people and for the cause of building and defending the socialist fatherland.

In spite of many difficulties, the implementation of the eighth plenum resolution as well as the sixth and seventh plenum resolutions will certainly enable our national economy to move steadily in a positive, upward trend and help improve the people's life, ensure national defense and security, and gradually accumulate capital for socialist industrialization.

## 14 November Editorial

BK170856 Hanoi Domestic Service in Vietnamese 2300 GMT 13 Nov 85

[NHAN DAN 14 November editorial: "Implementing the Eighth Plenum Resolution Is a Process of Struggle Requiring Firm Steps"]

[Text] Abolishing the system of bureaucratic centralism and subsidization of price and wages, as well as throughout the economy, in the spirit of the eighth plenum resolution constitutes a very big and complicated task. The abolition of the old mechanism of management is intended to build the new mechanism of management based on economic accounting and socialist business -- the core of the eighth plenum resolution. This is a very new and difficult task that will take not months, but years to complete.

Implementing the eighth plenum resolution is a process of comprehensive, integrated, resolute, and intensive struggle requiring firm steps and thorough understanding of the policy of abolishing bureaucratism and subsidization. This is necessary because the system of bureaucratic centralism and subsidization, which existed for decades in our country, has deeply conditioned the thinking, habits, and work methods of many, and has affected numerous systems, policies and procedures of management; it cannot be totally eliminated all at once. The economic situation, which is replete with imbalances, is developing unsteadily. Our managerial and organizational ability, despite some improvement, still remains weak and lags in many respects. We must proceed step by step to fully compute costs and abolish subsidization and compensation for losses in the national economy in order to suit the actual situation and ensure normal, uninterrupted production and circulation without causing big upheavals which are unacceptable to society. In effect, this is a process of going from widespread subsidization to limited subsidization and then, advancing toward total elimination of subsidization.

All socioeconomic systems, policies, viewpoints, and measures must originate from the party's lines and closely reflect realities. Based on the opinions and experiences of the working people acting as collective masters, and of the various sectors, localities, and basic units, they must be supplemented and perfected. During the recent short period in which initial steps were taken to implement the eighth plenum resolution, some work activities were carried out with good results; but a lot of things have either not yet been done or have gone wrong. This is hard to avoid because this undertaking is quite big, new, and difficult. Nevertheless, the chief cause is that we do not yet fully and correctly understand the viewpoints and guiding concepts of the eighth plenum resolution and the Political Bureau. The thinking and work methods that are based on simplism, arbitrariness, subjectivism, and impatience, and are removed from realities -- especially realities at the grassroots level -- often lead to activities having bad consequences. We must draw upon the recently gained experience in implementing price, wage, and money plans; develop strong points and overcome shortcomings; attentively listen to the views of the masses, basic units, and localities; and promptly correct the obvious deficiencies and irrationalities that really need to be dealt with in order to find more suitable, satisfactory, and effective steps and work methods for application in the coming period.

The eighth plenum resolution of the party Central Committee and Resolution No. 28 of the Political Bureau are very fundamental and correct. Our party, Army, and people have confidence in these two important resolutions and are resolved to carry them out firmly. Nevertheless, each step must be taken in a concerted manner and in coordination with the readjustment of prices, wages, and money and with the building and improvement of the new mechanism of management.

To do so it is necessary to urgently allow basic units the right to take initiative in stepping up production and circulation so as to shift economic activities to economic accounting and socialist business. If we fail to do that while resolving the issue of prices, wages, and money, we will relapse into bureaucratism and subsidization on the basis of new prices and wages.

Those who can solve the current complicated economic problems are the basic units and the working people acting as collective masters under the party's leadership and the state's management. By implementing the resolutions of the party Central Committee's sixth, seventh, and eighth plenums in the realization that this is a comprehensive revolutionary struggle involving many steps to be taken according to well-conceived plans and with the sense of collective mastery and a stalwart revolutionary spirit, it is certain that we will succeed in building the new mechanism of management, in advancing our national economy to a new level of development, and in accelerating the cause of building and defending the socialist fatherland.

#### 15 November Editorial

BK161351 Hanoi Domestic Service in Vietnamese 2300 GMT 14 Nov 85

[NHAN DAN 15 November editorial: "Better Organize and Guide the Implementation of the Party Central Committee's Eighth Plenum Resolution"]

[Text] The guidelines of the party Central Committee's sixth, seventh, and eighth plenum resolutions are very correct and fundamental, stirring confidence and enthusiasm in all our party members and people. However, the replacement of bureaucratic centralism and the subsidy system with a system of socialist accounting and business is a very difficult and complex revolutionary struggle that involves a large scope of socioeconomic relations and is conducted at a time when the economy is very unbalanced.

Such an extremely important task cannot be completed rapidly and hastily. The party Central Committee's eighth plenum resolution and resolution No. 28 of the Political Bureau on new prices, wages, and money have been implemented for a short time. Although some initial good points have been noted, there still are some shortcomings. Apart from what good has been done while implementing some specific projects on prices, wages, and money, shortcomings have quickly appeared, denoting something discordant and irrational, which causes complex socioeconomic problems.

The causes of such a situation are a failure to thoroughly understand the party Central Committee's eighth plenum resolution and the Political Bureau resolution, and the authorities' and sectors' at all levels failure to adequately organize and guide the implementation of these resolutions. They have been too subjective and impatient in doing their jobs and have failed to stay really close to the people and primary installations.

Our party and state are providing guidance for actively overcoming these shortcomings so that the eighth plenum resolution can be implemented better, more consistently, and more effectively.

The organization and implementation of the party lines is always a difficult problem of real revolutionary activities. A correct line is the first guarantee for all victories. However, a correct line cannot become reality by itself. Once a correct line is established, the system of party leadership, and people's mastery, and state management must be implemented. Through the state machinery and the revolutionary acts of the masses, the party defines steady steps and appropriate policies and measures to turn lines into realities in life. After a correct line is established, the organization of its implementation is decisive.



One of our major shortcomings is usually the large gap between the formulation of lines and the materialization, organization, and implementation of these lines. Our knowledge and working ability is not abreast of the situation and mission, and our practical action sometimes does not match the viewpoint and guiding thought of the lines.

Recent experience indicates that we must emphasize renovation and organization to provide guidance for the implementation of the eighth plenum resolution so that the lines and policies of the party in the resolution can be correctly implemented. Organizing the implementation of the eighth plenum resolution, establishing the new system of socialist economic accounting and business, and turning the party's correct lines into vivid realities must constitute the combined effort of all our party members and people.

We must thoroughly understand the party lines; closely watch realities by living with the people; perfect the organization, renovate research methods and control the situation of staff agencies; listen to the suggestions of large numbers of cadres, party members, and people; and issue accurate decisions. All these are necessary, if not to say mandatory, duties.

At the sixth plenum of the fifth party Central Committee, General Secretary Le Duan said: The state machinery from the central down to grassroots level, the administration at all echelons, and all agencies directly in charge of production and business management must closely watch realities in life, be sensitive to what is new, quickly detect and support the people's initiatives, and promptly correct errors and mistakes.

The state management must reach each economic installation, each population center, each worker, each family, and each citizen. Our duty is to develop the good points and overcome shortcomings in the course of implementing the eighth plenum resolution. We must give the primary production installations the right to take initiative in business, concentrate on developing production, rearrange and reorganize production, increase productivity, lower production costs, and accelerate the socialist transformation and management of the market in order to successfully adjust prices, wages, and money.

Experience has shown that these urgent tasks must be carried out resolutely and expeditiously. However, we must be very alert, realistic, and careful. We should not be subjective, impatient, conservative, afraid of difficulties, or bureaucratic. All sectors and echelons should set a pattern of work to stay close to the primary installations and the masses and should implement the system of going down to the grassroots level.

The leading cadres of central government agencies should go to the grassroots level to closely watch realities in difficult areas where problems in production and business and everyday life are being encountered. They must control more closely the situation in different regions, especially in the south, the four major cities and the mountainous regions in order to provide guidance for studying policies and systems, to promptly resolve problems raised by primary production installations, and to help these installations remove current difficulties and troubles.

With these initial yet very important experiences, with better measures to organize and implement the party lines, and with some necessary adjustments and amendments, we are convinced that the eighth plenum resolution of the party Central Committee and resolution No. 28 of the Political Bureau certainly will be implemented better, creating a new management system in which prices, wages, and money make a breakthrough to advance the economy of our country to a new step of development.

AUSTRALIAHAWKE VIEWS WAGE RISE EFFECT ON DOLLAR VALUE

BK190715 Melbourne Overseas Service in English 0430 GMT 19 Nov 85

[Text] The prime minister, Mr Hawke, has told parliament that the benefits of the dollar devaluation would be longer in coming than previously expected. Mr Hawke said Australia's changed industrial structure means that benefits would not show up as quickly as in previous devaluations.

Later at a news conference, Mr Hawke also conceded that the recent 3.8 percent national wage increase was a contributing factor in the falling dollar. He did not rule out the possibility of reopening negotiations with the Australian Council of Trade Unions [ACTU] to seek wage discounting. However, the president of the ACTU, Mr Crean, has said that the government should wait for the economy to adjust to the devaluation before it decides to seek further wage discounting.

The opposition leader, Mr Howard, said Mr Hawke's comments indicated opposition criticism and repudiated previous statements by the government. Mr Howard said it had been obvious at the time of the wage increase that the market had reacted adversely, and the prime minister had now been forced to recognize this.

NEW ZEALANDAUSTRALIA TO BE CONSULTED ON ANTINUCLEAR BILL

BK180726 Melbourne Overseas Service in English 0430 GMT 18 Nov 85

[Text] New Zealand's deputy prime minister, Mr Palmer, will consult with the Australian Government early next month on his country's forthcoming antinuclear legislation. The New Zealand prime minister, Mr Lange, said the draft legislation was now complete, and would be referred to the government caucus before copies were delivered to Washington and Canberra.

He said the British Government would also be shown a copy of the legislation before it was introduced in the New Zealand Parliament probably in the 2d week in December.

Mr Palmer who is also attorney general will take a copy of the legislation with him when he visits Canberra for the annual meeting of Australian and New Zealand attorney generals on 6 December.

The deputy prime minister failed to reach a compromise with the American Government on antinuclear legislation when he visited Washington last month. The United States has said legislation effectively banning American warships from New Zealand ports would force it to review and almost certainly to scrap the ANZUS defense alliance linking it with Australia and New Zealand.

CABINET TO STUDY LAW BANNING NUCLEAR WEAPONS

HK200746 Hong Kong AFP in English 0644 GMT 20 Nov 85

[Text] Wellington, Nov 20 (AFP) -- New Zealand's proposed law banning nuclear weapons will be studied in its final form by the cabinet and the Labour parliamentary caucus over the next nine days, Prime Minister David Lange confirmed today.

Mr Lange said in a radio interview that the proposed law would then be referred to the country's ANZUS allies for comment before it is introduced to the New Zealand Parliament next month.

Deputy Prime Minister Geoffrey Palmer would take the draft anti-nuclear bill to Canberra, while a Foreign Ministry legal adviser, Chris Beeby, was expected to take the bill to the United States seeking comment, he added.

Mr Lange said any changes which came from these consultations would be ratified by the government caucus before the law was introduced to the New Zealand Parliament.

The United States has warned the passage of such legislation would end the ANZUS alliance, linking it with New Zealand and Australia. The alliance has already been pronounced "inoperative" by the United States after it halted all military exercises and co-operation with New Zealand early this year.

The suspension included cutting some military intelligence information supplies to New Zealand after it banned a visit by a nuclear-capable warship, the USS Buchanan, in early February.

It's understood the nuclear-free law will ban all unclear weapons from New Zealand and from entering New Zealand, as well as establishing a watch-dog body to determine whether visiting warships and submarines comply with the nuclear-free policy.

Washington has rejected earlier New Zealand claims that such a "vetting" process would breach its international policy of neither confirming nor denying the presence of nuclear weapons aboard its warship. [sentence as received]

Mr Lange brushed aside a reported snub by United States which would mean the New Zealand Government is given no special briefing by Washington on the outcome of the Geneva arms talks. Mr Lange said the U.S. decision not to send a briefing official to New Zealand indicates the understanding between the U.S. and New Zealand over the country's strong anti-nuclear policies have "a sense of having reached a new plateau of reality." "We are not being consulted about nuclear reductions," he said.

New Zealand would not seek an alternative source of information on the outcome of the arms talks and the position of the super-powers, he added.



MARCOS APPOINTS NEW SUPREME COURT CHIEF JUSTICE

HK190823 Quezon City Maharlika Broadcasting System in English 0800 GMT 19 Nov 85

[Text] President Marcos today appointed Justice Ramon Aquino as the 14th chief justice of the Supreme Court effective midnight tonight. Aquino succeeds Chief Justice Felix Makasiar who retires tomorrow at the mandatory retirement age of 70. The president is scheduled to swear in Aquino as chief justice tomorrow at Malacanang. Aquino will assume the highest position in the judiciary with 46 years of experience in legal practice. He belongs to the famous law class of 1958 at the University of the Philippines College of Law of which the president and Makasiar were outstanding members.

KBL FAVORS HOLDING SNAP VICE PRESIDENTIAL POLL

HK191535 Manila BULLETIN TODAY in English 19 Nov 85 pp 1, 13

[By C. Valmoria Jr]

[Text] The Kilusang Bagong Lipunan (KBL) was reported yesterday to have finally decided to include the vice president in the "snap" election which will be moved from Jan. 17 to Feb. 7 next year. Political Affairs Minister Leonardo B. Perez, chairman of the Batasan committee on revision of laws, codes, and constitutional amendments, said that after the body closes debate on Cabinet Bill No. 7 today, he will propose a 57-day campaign period starting Dec. 11 instead of only 45 days as originally proposed.

Perez said the registration of voters will be held on two Saturdays -- Dec. 21 and 28.

In yesterday's two-hour meeting, opposition members insisted that the bill was unconstitutional. The majority maintained it was constitutional. The opposition proposed several formulas to cure what they said were constitutional infirmities in the bill, such as that related to the unconditional resignation of the President. Assistant Majority Floor Leader Manuel Garcia (KBL, Davao City) rejected the proposal, saying that the grounds cited by the opposition were based on false assumptions and premises.

Assistant Minority Floor Leaders Neptali Gonzales (Mandaluyong-San Juan) and Marcelo Fernan (Cebu City) and opposition MPs Cecilia Munoz Palma (Quezon City) and Arthur Defensor (Iloilo) argued that the majority was "circumventing provisions of the Constitution."

Garcia held that Cabinet Bill No 7 was not anchored on Section 9, Article 7 of the Constitution, but on the accountability clause and the parliamentary tradition that the president can submit himself periodically to the people on fundamental issues. Because of deadlock in the discussion opposition MP Homobono Adaza (Misamis Oriental) proposed a public hearing which the committee also rejected.

Gonzales, a former law college dean, proposed the synchronization of the presidential and local elections, preferably in May, 1986, to give the Supreme Court ample time to decide whether the special election bill is constitutional or not. Gonzales also wanted to give the Commission on Elections more time to prepare for the election and implement safeguards required in the Omnibus Election Code. Again Garcia rejected the proposal, saying the opposition was asking for more time to face the President in a clean and honest election. The committee will again meet today to finalize amendments to Cabinet Bill No 7 before it is reported out to the assembly for deliberation.

MP Mel Lopez (Opposition, Manila) supported Gonzales' proposal to hold presidential and local election simultaneously in February. Lopez filed an urgent resolution urging the synchronization to include the vice president instead of holding two separate elections. He said the two elections within a period of four months is not only absurd and a waste of the people's money but also a "subversion of the people's will."

Lopez said that the term of office of local officials will end March 3, 1986. If they will be allowed by legislation to hold office beyond that date, they will continue to do so without the people's mandate, he said.

#### POLL BILL APPROVED; COMELEC READY FOR ELECTION

HK200254 Manila Far East Broadcasting Company in English 2300 GMT 19 Nov 85

[Text] A Batasan committee agreed to hold the special presidential and vice presidential election on February 7 of next year. The agreement was reached by the Committee on Revision on Laws during its deliberations on Cabinet Bill No 7 calling for the special poll. Voting 14 to 6, the committee decided to report out the amended bill to the Batasang Pambansa for approval.

Comelec [Commission on Elections] Chairman Victorino Savellano has assured the entire Filipino nation that the Comelec is ready to conduct free elections. Speaking at a joint meeting of five chapters of the Rotary Club of Manila, Savellano said that with all the strength given them by the Constitution they shall assert themselves as the independent commission entrusted with the high responsibility of guarding the purity of the sovereign will as expressed on the ballot. He said that the omnibus election code, when finally approved, will usher the Philippines into a new era of electoral reforms. He added that there is more than enough time for the Comelec to prepare for a snap election if one is held in February next year.

#### MARCOS STRESSES VER'S ROLE IN DEFENSE POSTURE

HK191413 Manila BULLETIN TODAY in English 19 Nov 85 pp 1, 13

[By Willie Ng]

[Text] President Marcos announced yesterday the organization of "a board of generals and colonels to recommend to the Ministry of Defense and to make the steps necessary to take in order to completely reorganize the Armed Forces from top to bottom."

Ordered to help here were Gen Fabian Ver, Armed Forces chief of staff who is on leave, and acting chief of staff Lt Gen Fidel Ramos. President Marcos had invited Gen Ver to attend his meeting with top defense and military officers, declaring him as the "most knowledgeable" concerning national security plans, including Oplan 83-1, the mutual defense plan concluded in 1983 between the United States and the Philippines.

The conferees asked Ver if he would take part in the reorganization even if he would not be reinstated as chief of staff. Mr Marcos had said earlier that he would be automatically reinstated the moment he would be acquitted in the Aquino case.

I am willing to put down in writing that I will serve even in a consultant's capacity in the reorganization plan," Ver said.

Mr Marcos, who said that both Defense Minister Juan Ponce Enrile and General Ramos advised him to invite Ver to the closed door meeting, declared that Ver's role in the national defense posture made his presence "a matter of special importance." General Ver was co-chairman of Oplan 83-1 starting 1983 until last year when he went on leave. The other co-chairman was Adm Robert Long, commander-in-chief of the Pacific Fleet.

Mr Marcos said that General Ver also knew intimately the details of Oplan Katatagan, the country's basic defense strategy.

He pointed out that most of the officers to be affected in the reorganization were assigned to their present posts during the tenure of General Ver as chief of staff. The President said that he assumed that all extended officers "are now ready to retire." But, he said, such retirement would be conditioned on the basis that retirement "does not cause any hiatus or void in our operations and in the command structure," adding that "it would be tragic to just retire officers who have no replacements and stop operations."

General Ramos assured the President that the officers to be retired already have capable understudies who can immediately take over the vacated positions.

Earlier, the President had announced his plan to revamp the military to enable young officers to move up and make the organization more responsive to the anti-insurgency campaign. Mr Marcos said the reorganization will include the Constabulary Metropolitan Command (Metrocom). He said this should be reorganized at once to make it more effective in maintaining peace and order.

Among those in the meeting were Minister Enrile, General Ver, General Ramos; Gen Josephus Ramas, commander of the Army; Gen Vicente Piccio, commander of the Air Force; Rear Adm Simeon Alejandro, Navy flag officer-in-command, and 15 brigadier generals, including officers of the General Staff.

#### TIMES JOURNAL Editorial

HK191505 Manila TIMES JOURNAL in English 19 Nov 85 p 19

[Editorial: "Anti-Insurgency Drive the AFP Revamp"]

[Text] President Marcos met yesterday with top defense and military officers in Malacanang to prepare for a major reorganization of the armed forces. Even before this meeting the President has started reviewing the records of outstanding officers to see who should be given greater responsibilities. His decisions will be based on the officers' usefulness in the anti-insurgency campaign, their ability to inspire morale, and impose discipline and their effectiveness in community relations.

The meeting is also supposed to take up the reinstatement of Gen Fabian C Ver as armed forces chief of staff once he is acquitted in the Aquino assassination case. The President has stated that this is a matter of honor for him and with Ver's acquittal almost a foregone conclusion, the armed forces is expected to be under Ver again within a short while.

Although the general's reinstatement will be automatic, this will not be the case with the retirement of the overstaying officers. The reason given is that many of the retirable generals are in the midst of the anti-insurgency operations and to pull them out would hurt the campaign. The President has been under strong pressure to retire General Ver and the other overstaying generals. His decision to keep them indicates his trust in them and his belief that they can best carry out his military policies, especially with respect to the anti-insurgency campaign.

The anti-insurgency campaign has not been going very well and it remains to be seen whether things will get better if General Ver returns to the saddle. For one thing, his reinstatement should remove all the uncertainties over the military leadership and perhaps rally all the soldiery behind one man, instead of the present situation where there is an undeniably air of divided loyalty in the armed forces.



Perhaps it was just a coincidence, but on the same day we reported the meeting to discuss the AFP revamp we also carried a story about a surrendered NPA man revealing that the insurgents bought guns from what he described as "military gunrunners." It is no secret of course, that most of the firearms being used by the rebels are the same as those being used by the military and that not all of them have come from the so-called "agaw-arms" operations. Just how extensive this gunrunning by disloyal soldiers is will not be known until the military acts with more determination on the revelations instead of repeatedly denying that it exists.

It couldn't just be money that is making these soldiers sell their guns to the enemy. It could also be lack of faith in the campaign being waged against the NPA and could even be their way of hedging against the future. No one is in a better position to disabuse these soldiers of this idea than their officers and this is where this projected revamp comes in.

If the officers who are retained do not enjoy the respect and trust of the soldiers under them then no boost in military hardware or even in the soldiers' pay could help the anti-insurgency drive. The officers' effectivity in the campaign depends on the men under them. This is one more aspect that has to be considered in the overhaul of the military command.

#### ARMED FORCES CHIEF ORDERS NEW OFFICERS TO FIELD DUTY

HK141507 Manila METRO MANILA TIMES in English 13 Nov 85 pp 1, 5

[By Arnold Atadero]

[Text] Lt. Gen Fidel V. Ramos, acting AFP [Armed Forces of the Philippines] chief of staff, yesterday ordered that all newly called to active duty (CAD) officers in the armed forces should be assigned to the field first before they are given other duties, especially as aides-de-camp.

In his directive to the major service commanders, commanders of the AFP regional unified commands and other major AFP units, Ramos ordered that no junior officers should be assigned as aides-de-camp to generals or flag officers unless they had completed two years of duty with a combat unit. Ramos warned that junior officers who had not complied with the policy would be terminated except those who belonged to the technical services.

Ramos said newly CAD officers like doctors, nurses, lawyers, chaplains and other related services should be assigned to units located in combat areas.

The directive will supplement the assignment and rotation of personnel in field units.

Sources in the military disclosed that the normal duties of aides-de-camp were doing errand jobs for general officers, including reminding the "bosses" of their scheduled appointments, answering phone calls, opening and closing doors of cars of their bosses and ushering in the office of their bosses visiting VIPs (very important persons).

The new policy of the AFP command is expected to be carried out shortly, especially the recall of newly CAD officers, including graduates of the Philippine Military Academy (PMA), from their present assignments.

#### VERITAS INTERVIEWS ARMY REFORM MOVEMENT LEADERS

HK151337 Quezon City VERITAS in English 10 Nov 85 p 5

[Text] The Reform the AFP [Armed Forces of the Philippines] Movement (RAM), also known by its slogan "We Belong," sent shock waves across the nation when it was formed early last year.

Its emergence, engineered by graduates of the state run Philippine Military Academy to "unify the Armed Forces of the Philippines through reforms" was the first indication that the AFP is divided. We Belong was also an admission that "present ills plague the military establishment."

In the last two weeks, the AFP again became the center of speculation when a high-ranking officer defected to a U.S.-based opposition group. Speculations about factionalism in the military, which includes RAM as a key player, have been rife in the press. Lindablue Romero of PNF [Philippine News and Features] recently interviewed leaders of the organization, who for the moment prefer to remain anonymous. Excerpts:

PNF: Is it true that the President has ordered the reform movement to shut up?

RAM: It is not that. In the first place, we can't talk about that. The President thinks that our talking results in negative effects on the Armed Forces and he suspects us, probably of wrong advice, of saying damaging things which we had not actually said, or leaking information which we had not actually leaked. He has complained about this, and this results in a cleavage. The reformists were suspected of leaking out information regarding scandalous purchases, such as (in the case of) the Amworld scandal. But it's not true.

PNF: What does the reform movement plan to do with the reported issuance of PDAs (Presidential Preventive Detention Action orders) against some of its members?

RAM: It's not true. We have confirmed from reliable sources that it's not true. Secondly, President Marcos said this in his interview with Mr Koppel: "I am a soldier myself and I know how to command. And this is not the sort of thing you do to your subordinates. First, you call them, you talk to them if there's a problem, but you do not just clamp down on them like they were traitors." He is a good commander so I don't believe he will issue a PDA against us. I believe that there is a group trying very hard to drive a (wedge) between the President and us. The reformists are one of his last bastions of credibility. Those people who want to undermine (us) would like to deepen the cleavage to undermine the credibility of President Marcos.

PNF: What was the reaction of other people in the movement when they heard about this?

RAM: Here in Manila, the reaction was alright, because we are in close touch with developments. It's because we have our sources, that's why they are not that worried, even if a PDA should be issued. If a PDA should be issued, you know people have been picked up and they have survived. It's a minor thing (compared) to what we are going after. You'll pick me up, you shut me up, I'm just one big mouth which has not spoken. If they shut me up, it will probably even encourage the movement to become stronger and perhaps be more aggressive in its orientation. So, we are prepared here in the city. We see it in the proper context. For all you know, this might just be a "floater" to find out what we're going to do. In the provinces it's a different thing because the people there die on a regular basis. So, the people in the field units think in terms of fighting. They might think that this is already the start of the fight, so they ask, what are we going to do? We assure them that there's no problem here; if it's just a PDA, there's no problem. So, the idea is to (calm) the field units because those people don't think in terms of politics or power play. What they are thinking of are guns and ammunition. If they come here, what will I do? Will I run or fight them? That's what they are saying. This is natural for a soldier. But what we tell them is pacificatory.

No, I don't think that this is an emergency. If we're picked up, it's not the end of the world. We will survive. Some are worried, others are not. But in areas where we are quite well organized, they are worried because they feel it is the strong organization that might be threatened. We are strong in areas where the commander has a lot of problems.

PNF: How is the morale of soldiers in the field?

RAM: It all depends on the leadership. In general, it's not so good. In areas where the NPAs are active and gaining adherence, the morale is really not good, because the men are worried. The situation now is different. It is much worse economically, it is all shot, external debts are increasing, we cannot afford to make mistakes. Before even if the morale among the troops was low, it was just a temporary thing. You could always raise it later because there was more elbowroom. Now, there is little elbow room. There seems to be no more time. It looks like we have to do things quickly. That's why we have to assert that there is a reform movement, because of the urgency.

PNF: How does the reform movement plan to maintain its independence without being used by other groups?

RAM: Like what we're doing now, we use our own resources for our own programs and activities. We avoid invitations from interested sectors for a tie-up. They ask us to speak and explain ourselves; we do that, but then we explain that we are not partisan. We will not align ourselves with any people.

PNF: President Marcos has said he will reinstate General Ver once he is cleared of the charges in connection with the Aquino assassination. How will this affect the RAM?

RAM: There are many implications. How do you assess the return of General Ver? Does RAM want General Ramos to be the Chief of Staff? If we really want General Ramos to be Chief of Staff, it will really be very important for us if General Ver is reinstated or not. But the truth is, we don't really particularly want General Ramos to be there. The main thing about the RAM is it's very concerned about the insurgency threat. We feel that if the insurgency continues, it will hasten the chaos. We are trying to help strengthen the Armed Forces. The test of whether a leader is welcome or not is whether he is going to be effective or not. So, if General Ver is restored legally, that's the first concern, if it's legally done. Second, is he going to be effective? That's already subjective. In my view, General Ramos is not exactly a ball of fire; he has difficulties. Some analysts say he does not exactly have the power... In short, what I'm saying is that General Ver, objectively speaking, could probably perform just as well or even better. The political question of course is a different one -- why should he be allowed to return (as Chief of Staff)?

PNF: The U.S. has been favoring General Ramos over General Ver, what can you say to this?

RAM: Definitely, the U.S. is pushing General Ramos as Chief of Staff. That's what also gets me. Those Americans, they don't know what's happening here and they keep on meddling in our affairs.

PNF: There are also reports that there's a strong group in the AFP which might launch a coup. How strong is this group?

RAM: There is no group that strong. It is common knowledge that General Josephus Ramas is developing a counter-coup force in Fort Bonifacio. Why should he do this? If he calls it a counter-coup force, what's the difference between a counter-coup force and a coup force? All you have to do is tell them, hey, we were able to uncover something, a plan to overthrow the government by the reform movement -- let's arrest them.



INSURRECTION, REBELLION 'ORDINARY HAPPENINGS'

HK190339 Quezon City Maharlika Broadcasting System in English 0130 GMT 19 Nov 85

["Analysis of the News" by Teodoro Valencia]

[Text] At the Kapihan sa Maynila [Manila Coffeeshop] at the Manila Hotel yesterday, the subject of American intervention came up again, and it was Minister Blas Ople who said that, at the rate the Americans are intervening in the affairs of the country, it will not be far-fetched to predict that [words indistinct], we will become another Vietnam or Cambodia because the Americans are presuming so many things that are not there. They are now about to save us from ourselves, when we don't need any saving. The Americans were talking about the insurgency in the Philippines and they were recalling earlier in the past, [words indistinct] when we did not have any insurgency.

Before the Spanish-American war, or before the war of independence which we won against Spain, the Filipinos mounted more than 300 revolutions. After the Philippines was sold by Spain to the United States for \$20 million in the Treaty of Paris, the Filipinos fought the Americans and continued fighting after they signed the [words indistinct]. During the Japanese occupation, we had hundreds of guerrilla organizations that fought the Japanese, every day of the war of the Japanese occupation. We also fought the British in the 18th century when they ruled the Philippines for 2 years. In the American regime, the United States Army was unable to subdue the rebels in Mindanao. And under the administration of the Philippines since 1935 when we had [words indistinct], the Sakdals [insurrectionists], whether the Huks, and now we have the NPA's the MNLF and what-have-you. In other words, insurrection, rebellion -- these things are ordinary happenings in our society. That is because the Philippines is an archipelago country. We can mount a revolution, or a rebellion in 1, 2, or even 20 islands without making a dent in the (?administration), authority, validity of the central government.

There has been no incident in the past 2 years to give any doubt that the Philippines, the Republic of the Philippines, is on top of the situation and able to handle any and all the depredations that may be mounted by the New People's Army, the Communist Party of the Philippines, the Moro National Liberation Front, or whatever organization the Americans have in mind.

But they [words indistinct] and this debacle of internal strife. I would say that if the Americans really intervene in our affairs, [words indistinct] a little better than talk. In other words, actual armed intervention. [Words indistinct] in civil strife with many countries from outside, participation in the carnage. That was what Mr Ople said. I would say that the best thing we can do, the only way we can avoid all this is perhaps to bid America to leave us alone, to clear out their bases so that we will become a neutral country -- perhaps poorer if America were to withdraw all her vaunted multi-million dollar aid and rental. [Words indistinct]

'MILITARY GUNRUNNERS' REPORTED SUPPLYING NPA

HK190123 Manila TIMES JOURNAL in English 18 Nov 85 pp 1, 5

[Text] A former battalion commander and finance officer of the underground communist movement in Central Mindanao revealed that the New People's Army in the region was buying combat hardware, such as firearms and ammunition, from soldiers whom he described as "military gunrunners."

He also disclosed that when he was still in the movement, foreigners, "usually Europeans" disguised as tourists, were visiting NPA camps in the region "to inspect and ensure that the funds being supplied the movement (were) being properly utilized."

Fernando Palparan, who used the alias Ka Pidyong as an NPA chieftain, made the revelation through the PEOPLE'S SENTINEL, an "authorized" but "un-official" newspaper published fortnightly "for the Armed Forces of the Philippines." Palparan, who hails from Tagum, Davao del Norte, was reportedly a church worker before he joined the NPA.

In its latest issue last week, the PEOPLE'S SENTINEL, in a front page report, quoted Palparan as having admitted that he had been dealing with the "military gunrunners" in the region when he was still with the NPA. He told the PEOPLE'S SENTINEL that he had negotiated for the NPA in the region with those gunrunners for at least 10 times, adding, however, that the gunrunners in the military would usually do business with the NPA through middlemen.

There is no doubt, Palparan said, that some AFP [Armed Forces of the Philippines] personnel were selling to the insurgents military hardware, particularly M-16 Armalite rifles and ammunition, as well as other military equipment and even soldiers' uniforms.

Gunrunning among military men is "more prevalent in Cotabato where there are many surrenderees, usually from the Moro National Liberation Front," Palparan was also quoted as saying. The MNLF returnees are said to be the sources of European-made guns, some of which are sold to the NPA through the military gunrunners, it was also learned.

#### FORMER MNLF REBELS THREATEN NEW OFFENSIVE

HK180621 Quezon City ANG PAHAYAGANG MALAYA in English 10 Nov 85 pp 1, 3

[By Benjie Guevara]

[Text] Leaders of over 80,000 restive rebel-returnees have warned that they may return to the hills soon and launch another major Muslim offensive in the South unless the government checks an alleged clique of top government and military officials and favored Muslim chiefs who have been amassing wealth at their expense.

Officials of the Moro National Liberation Front's 20,000-strong Commander Returnees Association for Unite and National Development [CRAUN] told MALAYA yesterday they may join anew the 13-year "Mindanao war" amid the government's failure to deliver its oft-repeated promises to rebel surrenderees.

"Only two percent of the returnees have benefited from the government's so-called MNLF rehabilitation program by colluding with ranking government and military officials in seeking presidential favors supposedly in our behalf," charged Sultan Meno Manabilang alias "Commander Lumbus," chairman of the CRAUN executive council. "We want to find out if the government had really extended some P2 billion in loans which are supposedly intended for the rebel-returnees, to 300 corporations favored by this powerful clique," Manabilang bared.

Manabilang, head of the dreaded "blackshirts" MNLF group which led the historic Marawi uprising in October 1972, said this powerful clique has maneuvered the acquisition of choice presidential grants. These lucrative privileges include logging concessions and tax-free licenses to import canned sardines and electronic equipment, he added.

The "blackshirts" commander was one of 90 Malaysian-trained Muslim chiefs who orchestrated the MNF secessionist movement which broke out shortly after the imposition of martial law. This "top 90" group include Nur Misuari, alleged MNLF chairman, and Dimas Pundato, head of the Moro Reformist Liberation Movement, an MNLF splinter group.

Over 60,000 government troopers, rebels and civilians were killed in the Manabilang-led Marawi siege of 1972 which triggered the Mindanao War and gave international recognition to the MNLF as a Muslim separatist group.

Manabilang said the powerful clique opted to keep these privileges to themselves instead of giving them to the returnees, almost all of whom have remained impoverished while waiting for the promised reforms. He claimed there are now hundreds of MNLF commander-returnees who are bumming around the vicinity of the Muslim mosque in Quiapo after they are presented to President Marcos by the powerful clique. Members of this clique allegedly exploit commander returnees in obtaining presidential favors supposedly for the welfare of these leaders and their men. Rebel-returnees who were brought to the Maharlika Muslim Village in Tagig, Rizal are now eating only one meal a day following the government's failure to deliver its promised income-generating projects for the settlers, he claimed.

Sobair Macabinta alias "Commander Bert," a "top 90" member and leader of the 1,000-member Northern Mindanao Revolutionary Command [NMRC], said he surrendered in 1978 after being assured by Rear Admiral Romulo Espaldon that his men will be housed in resettlement projects, provided with income-generating activities and, if possible, given jobs in the government and military service. He bared, however, that less than 20 of his 600 surrenderees were given units in the Kapai Settlement Project in Lanao del Sur which was intended for his flock. According to Macabinta, a private group has been raking in a lot of money by managing the project and awarding the housing units to non-rebels. Aside from the absence of the promised income-generating activities, none of my men has been employed in the government or the military, he bewailed.

Borontin Macalangum alias "Commander Boni", a Bukidnon-based leader of the NMRC, has been jobless since his surrender in 1978 despite Espaldon's alleged promise to take him in the Constabulary force. He disclosed that he has been able to survive in Manila since then by bumming around Quiapo and asking doleouts from relatives and friends.

The commander-returnees stressed that President Marcos may be serious in helping them, but the people assigned to rehabilitate the returnees are obviously not fulfilling the government's promises. "We are afraid that our people may get fed up with these promises and decide to return to the hills and resume the fight against the government," they added.

#### BATAAN POLICE REQUEST HELP TO REPULSE NPA REBELS

HK181501 Manila BULLETIN TODAY in English 18 Nov 85 p 14

[By Efren P. Molina]

[Text] Balanga, Bataan -- The police station commanders in Bataan have asked proper authorities to equip their policemen with high-powered firearms to enable them to repulse enemy attacks, it was learned yesterday.



The police officers made the request following the aborted attack by armed men believed to be New People's Army rebels on the Orani police station last Sept. 20, it was disclosed. A veteran in warfare tactics said that many of the town policemen all over the province are either armed with handguns or obsolete firearms that cannot be of much help in a firefight. It was gathered that the NPA guerrillas who have been gaining strength in the rural areas in Bataan are better armed and have more logistics than the government police forces.

Certain quarters in the community expressed fears that the NPA rebels may have plans to stage another attack on any of the town police stations to show to all and sundry that they exist for a cause. In the Orani raid, the town policemen engaged the raiders in five-minute firefight, forcing the latter to retreat. The raiders reportedly fled in different directions on foot and aboard tricycles. No one among the raiders and the policemen were reported hurt. Sources said the NPA's, armed with high-powered firearms and garbed in camouflage military uniforms, staged the attack to avenge the killing of a leader, Commander Demet, by former Orani policeman Maximino dela Rosa last May 1. Dela Rosa had been staying in the Orani police station until he sought refuge at Camp Tolentino in Balanga with the help of Mayor Serafin Q. Roman and Lt. Herminio V. Vianzon, commander of the Orani police station.

#### 12 NPA REBELS KILLED IN MILITARY OFFENSIVE

HK201235 Hong Kong AF' in English 1217 GMT 20 Nov 85

[Text] Cagayan de Oro, Philippines, Nov 20 (AFP) -- At least 12 communist guerillas have been killed since government troops launched a military offensive in the southern Philippine island of Mindanao Monday, military officials said here today. (In Manila the official Philippine News Agency (PNA) reported that 20 communist New People's Army (NPA) rebels were either killed or wounded by government troops in an encounter Sunday in the mountain province north of the capital.)

Regional military commander Brigadier General Madrino Munoz said they gunned down 12 NPA rebels and four others were wounded in five encounters after launching an offensive Monday in three northern Mindanao provinces. The general said they also captured two rebels who admitted belonging to a "liquidation" squad out to kill ranking military officers in the island. Military sources said the group was believed to be responsible in the recent killing of an Army lieutenant colonel and a lieutenant in the region.

(Military authorities in Manila could not immediately confirm an alleged encounter in which 20 NPA rebels were killed or wounded in Sandaga town, located 250 kilometers (150 miles) north of Manila. The PNA said an army sergeant was wounded when government troops fought off rebels in a three-hour gunbattle. The 15,000-strong NPA is the military wing of the banned Communist Party of the Philippines reportedly operating in 63 of the archipelago's provinces.

#### Maharlika on Situation

HK181118 Quezon City Maharlika Broadcasting System in English 1000 GMT 18 Nov 85

[Text] Eighteen subversive terrorists were killed in separate encounters with government troopers in Mindanao. Details from Jun Francisco:

[Begin recording] In Sindangan, Zamboanga del Norte, elements of the 5th Marine battalion landing (team) encountered 20 armed terrorists. The fire-fight which ensued [words indistinct] led to the killing of five terrorists.

In Caraga, Davao Oriental, a PC [Philippine Constabulary] soldier leading members of the civilian home defense forces engaged 20 terrorists in a 30-minute fire-fight, resulting in the killing of 5 terrorists.

Elsewhere, in Misamis Occidental, [words indistinct] infantry battalion of the army [words indistinct] some rounds of ammunition. In [words indistinct] seven soldiers of [words indistinct] battalion of the army were wounded when the armored personnel carrier they were riding in [words indistinct] exploded when it hit a land mine. The wounded personnel were evacuated to Zamboanga City for treatment. [end recording]

#### ARMY SETS UP CHECKPOINTS AROUND MARAWI

HK200457 Quezon City Maharlika Broadcasting System in English 0400 GMT 20 Nov 85

[Text] The military has flexed its muscle in Marawi City. Authorities are braced for any [words indistinct] on the city. This followed reports that MNLF Secretary General Datu Pandatu has returned from abroad to try to unite the splintered MNLF forces in central Mindanao. The dissidents have virtually been decimated by surrenders to the government. The commander of the army's [word indistinct] brigade in Marawi said checkpoints have been set up in strategic areas around Marawi. Army patrols have also been beefed up.

A top rebel commander along with his 1,200 supporters has surrendered to civil-military authorities in Misamis Oriental. Army reports identified the surrenderee as Edgardo Savellano, alias commander (Saen) operating in the southern coastal town of Misamis Oriental. Savellano and his supporters held an indignation rally against the New People's Army which was calculated to inflict a severe blow to the communist movement in the province. Savellano and his followers also surrendered several high-powered firearms during the oath-taking break.

#### ARMY WATCHING COMMUNISTS IN SOUTHERN MINDANAO

HK190645 Quezon City Maharlika Broadcasting System in English 0400 GMT 19 Nov 85

[Text] Military authorities are closely watching the activities of communist dissidents in southern Mindanao. Regional Unified Command Chief Jaime Echevarria said this is to foil any communist plans to sabotage the forthcoming presidential and local elections. Echevarria said the Communist Party of the Philippines [CPP] may support their candidates for the local election next year in places of their influence or [words indistinct] Echevarria said the command is also gathering feedback on the actions of the CPP and the NPA with respect to the holding of a snap presidential poll early next year.

#### VIRATA EXPECTS IMF TO RELEASE 3D TRANCHE IN DECEMBER

HK181535 Manila BUSINESS DAY in English 18 Nov 85 p 2

[By Rigoberto D. Tiglao]

[Text] Prime Minister Cesar Virata said Friday that he expects the International Monetary Fund [IMF] to release its third credit tranche to the Philippines "by the first week of December." The release of the third credit portion means the government has complied on the whole with the terms of the economic stabilization program it has committed to undertake and that it has convinced the Fund that it will continue implementing policies and measures so the country can weather its current balance of payments crisis.

The IMF approval however will mean a very short leash for the Philippines: Virata told BUSINESS DAY that the targets agreed upon with the IMF staff mission involve only monetary and fiscal ceilings for the end of the year. This means that another IMF review -- the third and last -- will be required for subsequent drawdowns after December.

The standby credit arrangements with the IMF amounting to 615 million special drawing rights (equivalent to \$663 million at the current SDR: dollar rate,) runs up to first semester of next year with the last tranche to be drawn by June. The country has drawn only 191 million SDR (\$205 million) from the facility so far.

BUSINESS DAY sources in the international financial community however disclosed that the third tranche, in the agreement reached by the government with the IMF staff mission which recently visited the country, will be a combination of the two earlier tranches which should have been drawn by the end of this month. The third tranche was actually expected to be released between September and October while the fourth tranche was scheduled to be released between November and December. The government's failure to comply with the end-May ceilings delayed the release of the second tranche which pushed back the schedules for the subsequent tranches.

The sources claimed that rather than amounting to 106 million SDRs, the third tranche that is expected to be released by December will amount to 149 million SDR (\$160 million).

Virata explained that the agreement reached with the IMF staff mission will have to be finalized by the Fund management. "We hope that IMF management will submit (this week) their recommendation to comply with the 'circulation period' the (IMF) executive board requires to study management's recommendations. So we are expecting the IMF executive board to release the third tranche by the first week of December," he said.

There is however still no hard assurance that the Philippines will be able to get the IMF board to release the third tranche by December. Virata said the board has not yet scheduled a meeting to evaluate the second performance review. "It will be up to (IMF) management (represented by managing director Jacques de Larosiere) to ask the board to schedule a meeting for that," he explained.

The delays in the release of the IMF tranches have raised the red warning light for the financial package extended by the country's creditor banks. Under the agreements with the banks, it is an "event of default" if the Philippines fails to draw an IMF tranche 45 days after the schedule agreed with the Fund. Since the third credit tranche was scheduled to be drawn between September and October, it will be technically an event of default if the country fails to get the third IMF tranche by Dec. 15. It will however be only a "technical" event of default, the sources said, since the IMF management can inform the advisory committee of the country's largest bank creditors that the delay running over the prescribed 45-day period, should not be considered an event of default since there is already an agreement with the Fund staff mission, or the management, for the release of the third credit tranche.

BUSINESS DAY sources said one major reason for the delay in reaching an agreement with the IMF was the government's exceeding the end-September limits on public sector borrowings and the budget deficit. Virata last Friday said agreements had been reached with the IMF staff mission for higher ceilings on government borrowings and its budget deficits. He declined however to disclose the new ceilings at this time, pointing out that the IMF management will still have to officially approve the new figures. Sources however said the new ceiling on the budget deficit this year is between "P9 and P10 billion." Although this is much higher than the P6.2 billion target earlier agreed upon, it is lower than the over P12 billion limit the government had been asking for.



Also agreed upon with the IMF staff mission are the financial programs the government will undertake with the World Bank for the modernization of the coconut industry and for the rescue effort in the sugar industry.

The final stage of the negotiations with the IMF was undertaken by Virata and Central Bank governor Jose B. Fernandez Jr. with BUSINESS DAY sources saying the two monetary officials from the discussions. Most in the financial community are convinced that one major aspect resolved in the negotiations with the IMF mission involved the peso's exchange rate, not whether it is actually on a floating rate basis but whether the government should intervene in the market to depreciate the peso as a way to boost the country's flagging exports.

#### GOVERNMENT DEFICIT OF P20 BILLION PREDICTED

HK180749 Quezon City ANG PAHAYAGANG MALAYA in English 12 Nov 85 p 6

[By Dennis F. Fetalino]

[Text] The government will be spending close to P20 billion more than the revenues it expects to earn for the whole year of 1985, not P7 billion as repeatedly reported. Prime Minister Cesar Virata has clarified that the P7 billion figure represents only the budgeted deficit. An additional P12.8 billion of off-budget money will be shelled out to prop up ailing government corporations. The deficit could go as high as P22 billion if the International Monetary Fund agreed to a Philippine government request to raise the budget ceiling to P9 billion.

Virata said that as of October, the national government had incurred a deficit of P5.1 billion, still within the P7 billion limit. He added, however, that government spending would accelerate during the last two remaining months of the year. He did not elaborate. Other sources in government, however, said release of money for projects included in the 1985 budget would be speeded up as the coming presidential election in January approaches. Infrastructure projects, in particular, would have to be completed before the ban on such projects took effect during the campaign period, they said.

Virata added that the budgeted deficit of P7 billion is not difficult to finance as it represents only 1 per cent of the estimated P700 billion Gross National Product for 1985. "If we take into account the P12.8 billion to be given to the government corporate sector in 1985, consisting of P3.7 billion for non-GFIS (Government Financial Institutions) and P9.1 billion as cash assistance to GFIS, we can readily realize that without this substantial expenditure, the problem on the budgetary deficit would be much more manageable," Virata told a recent gathering of executives.

During the last ten-year period, from 1975 to 1984, the national government disbursed a total of P50.5 billion as contribution to government corporations, both in terms of equity and subsidies, he pointed out. At the same time, Virata announced that certain government-owned or controlled corporations would have to beef up their earnings and do without assistance from the national government. To raise additional funds, he said, government is pursuing the privatization of non-viable firms through the sale of the so-called non-performing assets of GFIS.

Virata, who is also finance minister, noted that the government corporate sector had grown at a dizzying pace in recent years. "By 1985, the government corporate sector had grown in number to a total of 248 government corporations, consisting of 91 parents and 157 subsidiaries; in 1984, the combined total assets of government corporations amounted to about P678 billion, while their combined total net worth amounted to P216 billion," he explained. On the basis of output, the government corporations contributed 4.9 per cent to the country's gross domestic product, he added.

AIR PACT TALKS WITH UK DEADLOCKED

HK140959 Manila PHILIPPINES DAILY EXPRESS in English 13 Nov 85 p 3

[Text] Philippine and British negotiators for a new air services agreement between their two countries was deadlocked anew in what was supposed to be the last of a series of negotiations before the Oct. 29 expiration of the current air pact.

However, both negotiators agreed on an extension of the air pact until March 31, 1986 when a compromise shall hopefully have been reached on controversial matters which caused Britain's decision late last year to withdraw from the air agreement, said Ambassador Amante Manzano, foreign affairs assistant minister for legal and intelligence affairs.

The British government unilaterally terminated the agreement after it disapproved of thrice-weekly flights of the Philippine Airlines [PAL] to and from London. The Philippine Airlines, on the other hand, has claimed that the agreement entitles it to a third frequency.

British authorities, claimed that the country's national carrier was unfairly getting a substantial number of passengers bound for London from cities abroad other than Manila. Under these claims, it revoked PAL's thrice-weekly permit. PAL filed court cases before British courts which upheld PAL's rights in all cases.

British transport authorities therefore, south a unilateral termination of the air agreement, with the intent of coming up with a new agreement that limits PAL's flight frequency to and from London to only twice weekly.

Manzano said the British panel of negotiators had insisted on amending the agreement to deprive the national carrier of the third frequency. Philippine negotiators, however, remained adamant about PAL's right to the third flight.

Thrice-weekly flights still continue, however, Manzano said. The third flight, it was agreed upon, would be covered by a PAL-British Airways commercial agreement while the first two flights would be covered by the government agreement.

Under the commercial agreement, PAL is duty-bound to give to British Airways a certain number of passengers transfers, a regular routine among airlines. If it is unable to meet the set quota, it shall pay the dollar equivalent to the British Airways, manzano said.

Another round of negotiations, meanwhile, had been set later this year, Manzano said.

CONSTRUCTION FIRM WINS PRC HOTEL PROJECT

HK190129 Manila PHILIPPINES DAILY EXPRESS in English 18 Nov 85 p 9

[Text] Sunbird Friendship International, a Filipino-owned construction company, made a major business coup in China when it won a 555 million contract to build a hotel at Dalian City. The contract for the construction of the Dalian Galaxy Hotel was signed last week by Sunbird president Eliodoro Ponio and vice-chairman Domingo Pabalate in Guangzhou, Canton, the company announced.

Financing for the project was packaged by Swiss Group International and the Telan Group of Thailand through Dr. C.S. Wong, Sunbird chairman. The loan is guaranteed by the Industrial and Commercial Bank of China. Under its contract, Sunbird may use skilled Filipino manpower resources and import construction materials and equipment from the Philippines. Ground breaking ceremonies is on December 15. Construction will take 28 months.

The hotel will be a 24-story, 450 room building with a total floor area of 35,000 square meters on a 7,000 square meter lot at the commercial center of Dalian City. It will have modern shopping malls, convention halls, restaurants, play-grounds, outdoor and indoor swimming pools, a health club, a disco and a casino.

Sunbird in joint venture with the Telan and Swiss Group is also being tapped for the construction of Xiamen (Amoy) International Airport's shopping and restaurant complex and another multi-million dollar hotel at Shenzhen near the border of Hong Kong.

#### WITHDRAWAL OF AUSTRALIAN AID TO SAMAR DENIED

HK191545 Manila METRO MANILA TIMES in English 18 Nov 85 p 3

[Excerpt] The National Council on Integrated Area Development (NACIAD) yesterday said there had not been a withdrawal of Australia aid for Northern Samar and that the implementation of infrastructure projects for the province would continue. NACIAD Executive Director Joey Leviste said in a press statement that claims contradicting this fact came from people who were "misinformed and ignorant of the development situation in northern Samar."

Leviste, who is also secretary general of the Office of the Prime Minister, issued the statement as a response to a published report quoting former Sen Salvador Laurel as expressing apprehension over the reported withdrawal of the Australian development aid in northern Samar. The report further quoted Laurel as saying that this "may set back the march of progress in that hapless province."

#### ADB SETS NEW TERMS ON PRIVATE SECTOR LOANS

HK150137 Hong Kong AFP in English 0123 GMT 15 Nov 85

[Text] Manila, Nov 15 (AFP) -- The Asian Development Bank (ADB) is now providing loans on near-commercial terms without government guarantees to diversify its assistance to the private sector, the Manila-based bank said today. The new policy would help the private sector on medium and large-scale projects and assist the bank's developing member countries develop their private sectors, an ADB statement said.

The new facility has an initial 100 million-dollar funding for the first 24 months of operation and loans would range between a minimum of five million dollars and a ceiling of 30 million dollars, it added. Bank loans under the new facility will only be for projects which produce essential consumer or development goods or services, or predominantly export-oriented luxury goods.

The bank said the new facility, although "modest" in relation to total ADB lending, would "play a catalytic role in augmenting the flow of domestic and external capital to the assisted enterprises." Total ADB assistance to the private sector, with government guarantees, amounted to 1.3 billion dollars from 1967 to 1984, it said.

#### AGRICULTURE MINISTRY ASKS WORLD BANK FOR CHANGES

HK180843 Quezon City Maharlika Broadcasting System in English 0800 GMT 18 Nov 85

[Text] The Agriculture Ministry has asked the World Bank to revise borrowing requirements from the \$100 million Agricultural Loan Fund, or ALF.



Agriculture Minister Salvador Escudero said he has sent word to the World Bank to use alternative (conduits) for the ALF loans. He also asked the World Bank to revise certain provisions such as the scrapping of [word indistinct] requirements for selected farm endeavors. Escudero said the Central Bank's main reason for denying the ministry's request for the allocation of (half) of the loan was because guidelines were already approved by the World Bank.

#### CENTRAL BANK WANTS PRIVATE BANKS INVOLVED IN ALF

HK190411 Manila BUSINESS DAY in English 18 Nov 85 p 3

[By Conrado R. Banal III]

[Text] The central Bank [CB] may lend to the National Food Authority (NFA) part of the P3.3-billion agricultural loan fund (ALF).

The NFA however will have to look for banks willing to arrange its loans under the ALF, and since none of the state-owned banks have yet been accredited as CB conduits for the fund, the food agency may have to go to private banks. Bankers indicated that the NFA's chances of attracting private banks are dim. "Not many banks are likely to take on NFA's proposal," said an official of a commercial bank that is active in agricultural financing.

Lacking funding from the national government, which has financing problems of its own, the NFA is asking the CB to finance its program for maintaining floor prices for rice and corn. Sources in the government said the food agency initially needs about P500 million in loans to buy grains during the harvest season when too much supply pushes down the prices paid to farmers. The idea is to prevent prices from dropping below the government-set support prices as an incentive to farmers. The idea is to prevent prices from dropping below the government-set support prices as an incentive to farmers.

In a recent meeting, the CB's policy-making Monetary Board decided that the NFA program qualifies for loans under the ALF, sources said. It was agreed that higher income for farmers, which the floor prices aim to provide, will lead to more spendings in the rural areas where 70 percent of the population is located. The main problem facing the government in its attempts to boost the sagging economy is the weak demand for processed consumer goods.

But the CB also wants to involve the banking system in agricultural lending to cure the problem of too much dependence on CB and government funds for farm lending programs. Through the ALF, the CB hopes to develop the banks' expertise in agriculture by making them conduits of the fund. The CB therefore is directing the NFA to go to banks for loans under the ALF. Sources said the NFA has lined up a couple of private banks to arrange the loans.

Bankers nevertheless feel the NFA needs a guarantee from the national government for its loans from private banks. The conduits for the ALF have to take the loan risks. They believe that the NFA program to support grain prices is an indirect subsidy to farmers. It is not geared toward profits. They noted that the NFA incurs storage and financing costs for the grains it buys, which it may fail to recover since it is also bound to prevent retail prices from going up. Higher costs of grains to consumers can be politically explosive, bankers said.

The three state-owned banks -- the Land Bank of the Philippines (LBP), the Philippine National Bank (PNB) and the Development Bank of the Philippines (DBP) -- have no CB authorization to use the ALF. PNB and DBP are saddled with huge bad debts which automatically disqualify them from becoming conduits of the ALF. Only LBP may have a good enough loan portfolio to get accreditation, but it has yet to apply with the CB.

INTEREST PAYMENTS EQUAL HALF OF EXPORT EARNINGS

HK151440 Manila BUSINESS DAY in English 15 Nov 85 p 2

[By Rigoberto D. Tiglao]

[Text] Despite the arrangement suspending principal payments to international banks, the country's debt service this year has been heavy, with interest payments to the banks eating up half of the country's export earnings.

The latest Central Bank [CB] data indicated that the country's total interest payments from January to August this year reached \$1,366 million, an amount equivalent to 506 percent of the \$2,699 million reported value of export shipments in the same period. In terms of actual cash flows, interest payments, which are remitted as they are reported, exacted an even heavier toll on the country's foreign exchange position. Actual export receipts in the same period -- which are lower than export shipments because of consignments of raw materials and the lag time in payments for the exports -- amounted to only \$2,113 million. The 1,366-million interest payments represented nearly two-thirds of the country's cash receipts from exports.

The level of interest payments would reflect the fact that while they have been forced to lengthen their exposures in the country as a result of the debt rescheduling agreements, the international banks, in terms of their interest revenues, have hardly been affected by the country's debt crisis. The CB data in fact show that the country's interest payments in the year through August increased 12 percent from the \$1,219-million level in the same period last year despite the softening of international interest rates. The January to August 1985 interest payments represented a 28 percent jump from the country's \$1,068-million interest payments in the same period in 1983, or before the country declared a suspension on principal payments for its foreign loans.

The CB's January to August data on the country's international transactions would indicate that the Philippine economic recovery has hardly started, with the monetary authorities' success in bringing down inflation rates representing merely a drastic slowdown in economic activity.

According to the data, the fall in exports has been on a very broad front, affecting nearly all of the country's traditional and nontraditional exports. Billed in the past as the cutting edge for the country's march toward a level of industrial growth similar to that of South Korea or Taiwan, electronic exports (mainly semiconductors) declined steeply by 13.5 percent from \$718 million in the same period last year to \$621 million.

However, exports of garments, which have been gravely hit by protectionist barriers in industrial countries, slightly increased by 2 percent from \$334 million to \$341 million. Other nontraditional exports which declined included footwear (\$22 million from \$20 million in the period), wood manufactures (\$25 million from \$30 million), furniture and fixtures (\$46 million from \$51 million) and processed food products (\$60 million from \$68 million).

The traditional exports fared the worst with coconut product exports declining more than 80 percent from \$453 million to \$260 million. Almost all of the major traditional exports declined, except for pineapple products which are monopolized by multinationals. Sugar products went down to only \$126 million from \$180 million; forest products from \$159 million to \$122 million; and mineral products from \$159 million to \$133 million.

The details of the CB end-August report show that non-merchandise transactions which was in deficit by \$192 million failed to fill up the gap in trade. There were however slight increases in revenues from certain nontrade transactions. Personal income -- largely made up of salaries of overseas contract workers -- increased 6 percent from \$383 million to \$405 million. The "travel item" -- or income from tourists -- also grew 62 percent from \$193 million to \$310 million. One reason advanced for this, ironically, was the country's suspension of remittances of profits and other forms of foreign investment income in the country. To use up the earnings multinationals could not remit during the year, they instead consumed the peso equivalents by encouraging their staff elsewhere to conduct conferences and to use their paid vacations in the country.

#### MANILA'S POPULATION ESTIMATED AT 2 MILLION

HK160806 Quezon City ANG PAHAYAGANG MALAYA in English 2 Nov 85 p 2

[Text] Estimated population in the national capital today is 2-million, further entrenching its reputation as the most densely populated among cities in the country. Source of the estimate is the health department of the city government which said the count is based on the projected 1,969,900 population in 1984 and the 1,890,200 of 1983 showing an annual addition of almost 80,000.

Despite more and highly visible signs of urban decay, the city remains the leading magnet to Filipinos in the countryside, thereby explaining the endless population of living conditions in the capital.

The rapid population growth in the city is used by the health department to underscore its success in causing a steady decline in morbidity and mortality rates among Manilans in the past 10-year period. Mortality rate has gone down to 5.75 per 1,000 city population compared to 7.31 in 1974 while the infant mortality rate has declined to 45.54 from a high 66.18, the department said. The lower rates reflect improvements in making public health facilities and services available to all Manilans, the department pointed out. It also acknowledged that such improvement stems from residents' higher awareness of the importance of maintaining personal health as a result of wider access to education.

Diseases of the heart were the top leading cause of death among city residents last year with a rate of 99.59 per 100,000 population, the department reported. It said the 9 other mortality causes with their respective rates were pneumonias, 98.12; tuberculosis (all forms), 62.74; vascular lesions affecting the central nervous system, 38.78; malignant neoplasms, 36.60; certain early infancy diseases, 31.42; homicide, 25.94; malnutrition, 16.14; senility, 14.48, and accidents, 14.41. In the case of mortality among infants (those 0-27 days old), the department listed birth injuries, asphyxia and infections of the newborn as the top killer with a toll of 127.18 per 10,000 livebirths. The other 9 leading killers of Manila babies were immaturity with a rate of 54.84; pneumonias, 19.85; congenital malformations, 7.68; congenital debility, 4.27; diseases of the heart, 2.56; vascular lesions affecting central nervous system, 2.35; septicaemia and pyaemia, 2.35; tetanus neonatorum, 2.13; and other causes, 9.18.

Such rates go higher in relation to mortality of infants under a year old. Pneumonias had a rate of 161.76 per 10,000 livebirths; birth injuries, asphyxia and infections, 128.89; immaturity, 57.40; measles, 14.51; malnutrition, 13.44; septicaemia and pyaemia, 11.10; other early infancy diseases, 10.67; congenital malformations, 10.03; gastro-enteritis and colitis, 9.82; diseases of the heart, 5.33; and other causes, 32.44.



The 10 top diseases to which Manilans are most prone are led by gastro-enteritis and colitis with a morbidity rate of 369.71 per 100,000 population; pneumonias, 342.85; bronchitis, 284.17; tuberculosis (all forms), 256.91; measles, 119.95; influenza, 113.30; gonorrhea, 51.98; cancer, 36.60; infectious hepatitis, 29.89; and typhoid fever, 19.03.

Turning back to the city's population situation, the department said Tondo is the most tightly packed among the 14 districts with residents who numbered 626,246 last year followed by Sampaloc with 512,143, and Sta. Ana a third with 236,995.

#### MARCOS ORDERS INTENSIFIED MILLING OF SUGAR CROP

HK181525 Manila BULLETIN TODAY in English 18 Nov 85 pp 1,18

[By Jose De Vera]

[Text] President Marcos ordered yesterday intensified milling of the present sugar crop and the immediate sale of newly milled sugar to ensure that more crop loans are made available to producers. The chief executive directed that the milling, which started sometime ago, be immediately resumed in some mills that had suspended operations earlier.

He said that, in accordance with arrangements with the Philippine National Bank (PNB) 50 percent of the value of the newly-milled sugar will go to the payment of loans to the PNB and the other 50 percent will be lent out as crop loans. He said that the availability of more crop loans will ensure the production of from 1.4 to 1.5 million tons of sugar.

The President said that one million tons will be earmarked for domestic consumption, while 251,000 tons will be allocated for exports to the United States and the rest for reserves. He explained that instead of the usual crop which would cost about P8 billion, this would involve a crop of about P6 billion. According to the president, this would be sufficient to meet the immediate requirements of millers and planters, especially on the issue of crop loans.

He also directed the National Sugar Trading Corp. (Nasutra) to start paying its loans with the PNB at the rate of P20 million every week, beginning next week. Under President Decree No 1984, Nasutra will be replaced by the Philippine Sugar Marketing Corp. (Philsuma) not later than the end of this year.

Mr Marcos said that the other problem of the sugar industry which involves the maintenance of the domestic price of sugar was passed on to the planters and millers who were asked to put up an organization that would provide an effective mechanism for stabilizing the domestic price of the commodity. He disclosed that, in a conference with leaders of the sugar industry representing planters and millers led by the new prospective chairman of Philsuma, Fred Elizalde, there be only one organization that shall be engaged in both issuing the rules and regulations and in supervising the trading of sugar in both the domestic and export markets. Aside from being the sole agency for sugar exports, the president said Philsuma is also cloaked with authority to engage in domestic sugar trading on a nonexclusive basis. Philsuma will also be offered for subscription to sugar planters and millers in proportion to their actual production.

The president had announced earlier that enough crops loans would be available to sugar planters to achieve a minimum production of 1.3 million metric tons for the 1985-1986 crop year. He also announced that free trading in domestic sugar would be maintained so that every planter, miller and trader could freely engage in the buying and selling of sugar. He had earlier said that Philsuma would have to unload its stock to maintain the price of sugar at P300 per picul in case of an artificial shortage in the local market as a result of hoarding and price manipulation.

WORKERS OF PAMPANGA SUGAR PLANT FACE STARVATION

HK160748 Quezon City ANG PAHAYAGANG MALAYA in English 1 Nov 85 p 9

[By Elmer G. Cato]

[Text] Floridablanca, Pampanga -- Thousands of distressed sugar workers and their families face starvation with the projected closure of the government-subsidized National Sugar Development Co. here this month. Nasudeco, formerly the Pampanga Sugar Mills Co. is expected to cease operating sometime this month following the refusal of the Philippine National Bank to release some P36 million to rescue the financially-beleaguered sugar company, one of two mills in the province.

Reolito Dale, president of the New Pasumil Workers Union, said that Nasudeco's projected closure would seriously affect some 800 regular and 200 seasonal mill workers who are completely dependent on the milling plant for their livelihood. Following the month-long dead season period enforced by the management in May, some 3,000 families from the Nasudeco-dependent baranggay of Benedicto, Del Carmen, and Paguiruaun have settled for two or even less meals. Other families rely on root crops for their daily subsistence Dale said. One child has reportedly died of malnutrition.

Dale said that the collapse of the Philippine sugar industry early this year has precipitated the reduction of work hours by the Nasudeco management. To cut down on expenses, the mill operators have three. The problem has been compounded by the hesitance of local planters to lend monetary or rice loans which seasonal workers avail themselves of during regular milling periods. Dale added that the approximately P34-per-day salary of the workers is not enough to meet their daily requirements.

The financial loan, which is expected next month, is supposed to be used in normalizing Nasudeco operations. However, the management is reportedly only awaiting official bank pronouncements before shutting down after an earlier offer to planters to take over operations has been rejected, sources told MALAYA.

Sugar planters are, meanwhile, faced with added production costs with the mill's eventual closure. Produce from sugar-growing northwestern Pampanga and eastern Bataan municipalities will have to be diverted to the Pampanga Sugar Development Co. in San Fernando and other sugar refineries in neighboring Tarlac Province for processing. Nasudeco is originally one of five sugar mills in the country eyed WPLZ government mothballing scheme. The plan was, however, ordered shelved by the President.

## Columnist Comments

HK180801 Quezon City ANG PAHAYAGANG MALAYA in English 8 Nov 85 p 9

["Notes From Pampanga" column by Elmer G. Cato: "Just Like Negros"]

[Text] What have Pampanga authorities been doing on the reported starvation which confronts the families of some 1,000 sugar mill workers in Floridablanca town? For their information, if they still do not know, families in the barangay of Benedicto, Del Carmen, and Paguiruaun who are dependent on the National Sugar Development Co. for their livelihood face possible starvation with the closure of the sugar mill projected for this month.

Reports received so far indicate that some families are forced to do with two or even less meals a day while others rely on kamote or their basic requirements. One child has reportedly died of malnutrition with 20 percent of the baranggay school-aged population failing to enroll this school year.

The task of forestalling a possible Negros scenario in the province rests virtually on the hands of public authorities, for turning a deaf ear on this issue would mean courting communist dissidents to exploit the weaknesses of a sagging government. People at the Capitol would not, of course, like this, would they?

The establishment media has once again pointed the accusing finger on anti-government demonstrators in their accounts which followed the infamous Taft incident last Oct. 21.

Television news crews and newspapermen gave credence to the police version of the incident and pinned the blame on so-called communist-infiltrated protestors out to sow violence. They virtually relegated accounts on wounded demonstrators to the sidelines, giving more prominence to photos of protesters overturning a police patrol car and pelting a passenger bus with stones. They also insisted that the 15-minute exchange between responding police elements and stone-throwing demonstrators was triggered by marchers who pounced on a motorcycled policeman and took off with his service pistol.

The reports have apparently left us with more questions than answers. For one, what was the motorcycle cop doing so close to the demonstrators? If maximum tolerance had indeed been displayed, how come two demonstrators died of gunshot wounds with serious injuries to 25 others? What were so many riot policemen doing near the area in the first place? Was it not pure and simple overreacting on the part of the law enforcers?

The incident has not only caused the passing into law of a controversial rallies bill, it also is an ominous warning of another storm ahead. The Angeles-based Bagong Alyansang Makabayan (Bayan-CL) [New Nationalist Alliance-Central Luzon] said that the incident was a pre-meditated assault on unarmed peasants and their supporters who were only out to seek redress of their legitimate grievances. The violent clash, Bayan-CL said, was instigated by police elements who broke into the ranks of some 10,000 Mendiola-bound peasant demonstrators passing in front of the Philippine Normal College building along Taft Ave. Bayan-CL substantiated its claim when it presented to media men two of three infiltrators captured during the vigil two days earlier at the Meycauayan Church in Bulacan. The two confessed to having been fielded by police authorities to infiltrate and disrupt the farmers' intended march.

New People's Army guerrillas killed 51 government troopers and made off with 54 high-powered firearms in a three-month rebel offensive in five Central Luzon provinces ending September. The report, which quoted the regional guerilla organ, HIMAGSIK, mentioned two rebel operations in August which they claim took the lives of some 17 military troopers. According to the account, NPA guerrillas killed some 10 air force men in a skirmish which followed a raid on an isolated military outpost in Porac town last August 25. It was followed three days later by an NPA Spring ambush which claimed the lives of some 7 constabulary men including a lieutenant in Mexico, Pampanga.

The military, however, in previously released reports said that only one trooper and two civilians were slain in the Porac clash and denied reports of military fatalities in the Mexico encounter, saying that two troopers have been wounded and an NPA rebel captured.

Now, which is which?



SUGAR COMMISSION TO OVERHAUL FINANCING SYSTEM

HK191451 Manila BUSINESS DAY in English 19 Nov 85 p 3

[By Rigoberto D. Tiglao]

[Text] In a move toward prompting bank financing for the sugar industry, the Philippine Sugar Commission (Philsucom), effective the current crop year, is guaranteeing sugar quedans, or the receipts indicating the existence of sugar in a mill's warehouse. This guarantee, Philsucom officials said, is actually equivalent to the guarantee of the national government. Under its Sugar Order No. 1 (dated Oct. 17), the Philsucom also instituted control measures for the issuance of the quedans, requiring among others that the quedans issued by mills be checked on a monthly basis by representatives of three accounting firms assigned by the Philsucom to determine that the sugar represented in the quedans really exists.

The quedans traditionally make up the basis for financing of the sugar industry, with these warehouse receipts usually surrendered to banks as collaterals for sugar crop and milling loans. In the past years however, what sugar industry people call the "integrity" of the quedan system, had been eroded, with most banks planning to extend loans to the sugar industry forced to check for themselves whether the sugar stocks represented by the quedan actually exist.

Officials of the two banks involved in the sugar industry, the Philippine National Bank (PNB) and the Republic Planters Bank (RPB), said the Philsucom guarantee as well as the control mechanisms to ensure the authenticity of the quedans are intended to encourage banks to go into sugar financing. "With the guarantee, which is effectively a guarantee by the Philippine government, the quedans are 'almost like pesos,'" an RPB executive noted. "This means that a bank given a quedan by a sugar planter will in effect have a hard collateral to secure its loans. A bank with no field network will not have to send people to check whether the sugar stock being offered as collateral through the quedans actually exists."

As soon as the first inventory of the authenticity of existing quedans are finished, the Central Bank [CB] will reopen its rediscounting windows for the sugar industry, with quedans used as collateral for the CB loans. The bankers however explained that while the Philsucom's overhauling of the quedan system is a step toward restarting bank financing for the sugar industry, the impact of the new quedan system will be minimal for at least two crop years. This is because nearly 80 percent of sugar planters have contracts with the PNB and the RPB assigning their future quedans to these banks to pay off their outstanding loans, which reportedly amount to at least P3 billion.

The immediate impact of Sugar Order No. 1 however will be felt through the regulations intended to prevent the so-called "pole-vaulting" practice of sugar farmers which has become rampant in the past two years. Banks financing the sugar planters collect their loans through the mills which process into sugar the cane a planter within a particular milling district delivers. The collection by the banks is also done through the quedan system, with the planters' share (usually 65 percent) represented by a quedan delivered to the financing bank. The National Sugar Trading Corp. (Nasutra), which actually handles the sale of sugar, pays the banks on the basis of the quedans they hold. The banks in turn remit to the planters the payment for their sugar, less their outstanding loans. However, an increasing number of planters in the past two cropping seasons have managed to evade this loan payment scheme through the polevaulting system by having their sugarcane processed by another mill, which does not have records showing that the particular planter has loans with the banks.

Section 16 of the new sugar order issued by the Philsucom specifically prohibits pole-vaulting. Philsucom sources said that under the implementing guidelines for the order, the control mechanisms to ensure the authenticity of the quedans will be used to check pole-vaulting moves by planters. The Philsucom has required, as one of its measures to ensure the authenticity of quedans, sugar mills to issue the quedans only after they are checked by a representative of any of three accredited accounting firms, namely, SyCip, Gorres, Velayo & Co., C. J. Valdez & Co., and J. Cunanan & Co. The staff of the three accounting firms will report directly to the Philsucom.

#### COCONUT PRODUCTION FORECAST TO RISE 25 PERCENT

HK160452 Hong Kong AFP in English 0405 GMT 16 Nov 85

[Text] Manila, Nov 16 (AFP) -- Coconut production in the Philippines is set to rebound by 25 percent this year from 1984's 10-year low, but is not expected to equal its 1983 level, the country's coconut industry association said today.

In its quarterly publication COCONUTS TODAY, the United Coconut Association of the Philippines said that total production in 1985 was estimated at 1.806 million tonnes at copra basis, up from 1.435 million tonnes last year. Total production of the country's top export crop in 1983 was 2.264 million tonnes, but droughts reduced 1984's output by 36.6 per cent, plunging it to its lowest level since 1974, the magazine said. It was that this year's forecast was based on good rainfall levels in 1984. The effect of a rainfall pattern is generally reflected in the harvest after at least 12 months.

Of the projected coconut output this year, over 83 percent is expected to be exported as various products -- mostly coconut oil -- and the balance is expected to be consumed locally. Coconut products exports in absolute terms suffered a continuous decline from 1.912 million tonnes in 1981 to 1.128 million tonnes last year. This year's export balance is about 1,506 million tonnes, COCONUTS TODAY said.

#### AGRICULTURE MINISTER SEES LARGER RICE HARVEST

HK121125 Manila Far East Broadcasting Company in Tagalog 1000 GMT 12 Nov 85

[Text] Food and Agriculture Minister Salvador Escudero III says that the Philippines will harvest 7.8 million cavans of rice, a larger harvest than that of last year. Escudero said the country will be able to restore the 5 million cavans which were lost during the recent typhoons. He also confirmed that the ministry is expanding irrigated land by 248 hectares this year.

#### COLUMNIST CHIDES LAUREL FOR ATTACK ON NUC LEADER

HK190443 Manila METRO MANILA TIMES in English 17 Nov 85 p 4

[From "The Jaywalker" column by Arturo A. Borjal: "Someone Should Tell Doy"]

[Text] When former Supreme Court Justice Cecilia Munoz Palma was plucked out of retirement in early 1984 to run for the Batasang Pambansa, there was doubt that the lady could endure the campaign, but she went on to finish second place in the Quezon City electoral race, garnering a sizeable number of votes. Munoz Palma's performance there has been marked by level-headedness.

The Opposition sought her out again early this year in the unification effort, to head the National Unification Conference [NUC], the body charged with unifying the Opposition and selecting a presidential candidate in a snap election.

Against the advice of close friends, who warned her about the fickleness and betrayals in politics, she acceded, putting ahead the welfare of the country. The NUC was the first real test of her mettle -- and the test was not always pleasant. But she carried on with her job of unifying the oppositionists, some of whom are obviously blind to everything except their lust for power.

Last Friday's NUC meeting in the Cojuangco building in Makati may have been the turning point in Munoz Palma's brief political career. She was so disenchanted with politicians and politics that she might just quit. If and when she does, the people may also be disenchanted with the Opposition. Many of those close to Munoz Palma doubt whether she wants to go on at the NUC. She was given an undeserved tongue-lashing by Unido's [United Nationalist Democratic Organization] Salvador 'Doy' Laurel in last Friday's NUC meeting and has remained tight-lipped ever since. She will not discuss her role in the unification process and remains closeted in her quiet Quezon City home.

Doy Laurel's intemperate anger at Munoz Palma casts a serious doubt on his ability to handle the country in times of crisis. Presidents are supposed to be cool, contemplative, and not easily ruffled. Whatever you think of Mr. Marcos, he has never lost his poise in public, even when provoked beyond endurance. When he has had to say something sharp or hurting, he has always done so with a small laugh or a deprecating gesture that removes the sting from his rebuke. Laurel's outburst in the first place was baseless. Munoz Palma has always understood the need to accredit the NUC as the "dominant opposition party [DOP]."

She may have had misgivings about Unido's insistence on the DOP status -- but she has always been correct, polite and proper in her language. Enter Doy Laurel demanding loudly, boorishly, arrogantly that Munoz Palma retract a public statement she was supposed to have made on the DOP issue. Doy is beginning to commit certain very grave errors. When he appeared before the Rotary Club of Manila last Thursday, he was fiery and pugnacious from start to finish of his long speech. To an audience already frightened by the violence and hate spewing all over the country, Doy's belligerence is beginning to make people uneasy. Is a man who cannot keep a lid on his temper and who picks a fight with a lady justice whose intellect is superior to his; is such a man fit to reconcile a people and a nation?

He must be reminded by his closest advisers that Filipinos can forgive just about anything: plunder of the public till, hidden wealth, cronyism, etc., but they despise a man who is rough on a woman, especially in public. The way a man treats a woman is an indication of his private character.

Doy Laurel's second error was when, still at the Rotary Club, he started dispensing Cabinet posts to several personages in the Manila Hotel audience. "He is not yet in power and he is already dispensing patronage," said someone in the audience. Unless Doy slows down, he may just rant his way out of the race. Easy on the macho bit, man.

The 15 to 13 support of Doy Laurel in the NUC is precarious. The shift of just one can immediately create a deadlock. If two of the 15 decide to abandon him, the 13 leaning toward other candidates will constitute the majority. If Doy's NUC lead evaporates, will he run as a Third Force candidate? To the Kilusang Bagong Lipunan, that would be Doy's Christmas gift to them. Then, Doy would become the spoiler, the fly in the ointment, the dog in the manager, the thrower of the monkey wrench, who lost what could have been the Opposition's day.



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